



TUDOR GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

(Expressed in Canadian Dollars)

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Tudor Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TUDOR GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	September 30, 2019	March 31, 2019
ASSETS		
Current		
Cash	\$ 1,620,714	\$ 265,712
Amounts receivable	445,753	217,849
Investment (Note 5)	312,500	125,000
Prepays and deposits	12,000	12,573
	<u>2,390,967</u>	<u>621,134</u>
Reclamation deposits (Note 4)	145,600	145,600
Exploration and evaluation assets (Note 4)	24,941,913	19,841,898
Property and equipment (Note 6)	197,806	194,389
Total assets	<u>\$ 27,676,286</u>	<u>\$ 20,803,021</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 1,127,570	\$ 1,575,274
Current portion of lease obligations (Note 9)	18,435	18,808
	<u>1,146,005</u>	<u>1,594,082</u>
Lease obligations (Note 9)	11,887	21,013
Credit facility (Notes 8 and 14)	-	716,033
Total liabilities	<u>1,157,892</u>	<u>2,331,128</u>
Shareholders' equity		
Share capital (Note 7)	34,206,089	25,073,362
Equity reserves (Note 7)	2,813,154	2,456,766
Accumulated other comprehensive income (loss)	156,250	(31,250)
Deficit	(10,657,099)	(9,026,985)
Total shareholders' equity	<u>26,518,394</u>	<u>18,471,893</u>
Total liabilities and shareholders' equity	<u>\$ 27,676,286</u>	<u>\$ 20,803,021</u>

Nature of operations (Note 1)**Basis of presentation** (Note 2)**Subsequent events** (Note 14)**On behalf of the Board:**

"Walter Storm"
Director

"Sean Pownall"
Director

The accompanying notes are an integral part of these condensed interim financial statements.

TUDOR GOLD CORP.

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CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Three months ended 30-Sep-19	Three months ended 30-Sep-18	Six month ended 30-Sep-19	Six months ended 30-Sep-18
EXPENSES				
Accretion	\$ 427	\$ 235	\$ 806	\$ 420
Automobile	4,911	3,759	8,728	7,114
Consulting fees (Note 8)	145,822	42,064	336,705	123,814
Depreciation (Note 6)	12,539	8,858	24,244	17,316
Interest expense (recovery)	6,536	(16,670)	19,465	80,581
Management fees (Note 8)	12,000	36,000	24,000	72,000
Office and miscellaneous	27,472	35,677	38,600	48,745
Professional fees	57,808	18,370	99,246	23,893
Salaries and wages (Note 8)	233,772	50,951	285,283	91,507
Shareholder information and promotion	89,750	28,724	147,607	128,111
Share-based compensation (Note 7)	310,938	15,356	414,305	44,389
Transfer agent, listing and filing fees	18,370	11,853	27,523	14,381
Travel	8,376	6,596	12,772	6,596
Loss from operations	(928,721)	(241,773)	(1,439,284)	(658,867)
Foreign exchange gain (loss)	20	-	20	54
Interest income	7,562	-	7,562	-
Loss on settlement of debts	-	-	(198,412)	-
Write-down of exploration and evaluation assets (Note 4)	-	-	-	(556,711)
Net loss for the period	\$ (921,139)	\$ (241,773)	\$ (1,630,114)	\$ (1,215,524)
Other comprehensive loss				
Unrealized gain (loss) on investments (Note 5)	187,500	-	187,500	(31,250)
Comprehensive loss for the period	\$ (733,639)	\$ (241,773)	\$ (1,442,614)	\$ (1,246,774)
Basic and diluted loss per common share				
	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
(basic and diluted)	126,624,751	91,718,142	120,234,932	88,906,470

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CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

	<u>Share Capital</u>		Share Subscriptions Received in Advance	Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total
	Number of Shares	Amount					
Balance, March 31, 2018	81,525,438	\$ 17,839,637	\$ 628,000	\$ 811,113	\$ -	\$ (5,528,970)	\$ 13,749,780
Private placements	12,048,623	4,181,700	(628,000)	30,000	-	-	3,583,700
Exercise of warrants	2,000,000	200,000	-	-	-	-	200,000
Shares for exploration and evaluation assets	1,100,000	253,000	-	-	-	-	253,000
Share issue costs	-	(89,539)	-	9,377	-	-	(80,162)
Share-based compensation	-	-	-	44,389	-	-	44,389
Fair value adjustment on investment	-	-	-	-	(31,250)	-	(31,250)
Loss for the period	-	-	-	-	-	(1,215,524)	(1,215,524)
Balance, September 30, 2018	96,674,061	22,384,798	-	894,879	(31,250)	(6,744,494)	16,503,933
Private placements	11,934,200	2,775,860	-	207,690	-	-	2,983,550
Shares for exploration and evaluation assets	150,000	36,000	-	-	-	-	36,000
Share issue costs	-	(123,296)	-	-	-	-	(123,296)
Share-based compensation	-	-	-	1,354,197	-	-	1,354,197
Loss for the period	-	-	-	-	-	(2,282,491)	(2,282,491)
Balance, March 31, 2019	108,758,261	25,073,362	-	2,456,766	(31,250)	(9,026,985)	18,471,893
Private placements	13,965,450	5,302,135	-	-	-	-	5,302,135
Shares for debts	3,293,650	1,123,412	-	-	-	-	1,123,412
Exercise of options	850,000	204,404	-	(89,404)	-	-	115,000
Exercise of warrants	4,798,231	2,051,982	-	(9,377)	-	-	2,042,605
Shares for exploration and evaluation assets	1,075,000	806,250	-	-	-	-	806,250
Share issue costs	-	(355,456)	-	40,864	-	-	(314,592)
Share-based compensation	-	-	-	414,305	-	-	414,305
Fair value adjustment on investment	-	-	-	-	187,500	-	187,500
Loss for the period	-	-	-	-	-	(1,630,114)	(1,630,114)
Balance, September 30, 2019	132,740,592	\$ 34,206,089	\$ -	\$ 2,813,154	\$ 156,250	\$ (10,657,099)	\$ 26,518,394

The accompanying notes are an integral part of these condensed interim financial statements.

TUDOR GOLD CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

Six months ended September 30,	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,630,114)	\$ (1,215,524)
Accretion on lease obligations	806	420
Accrued interest expense	12,929	80,868
Depreciation	24,244	17,316
Share-based compensation	414,305	44,389
Loss on settlement of debts	198,412	-
Write-down of exploration and evaluation assets	-	556,711
Changes in non-cash working capital items:		
Amounts receivable	(227,904)	195,762
Prepays and deposits	573	(3,591)
Accounts payable and accrued liabilities	477,296	(255,408)
Net cash used in operating activities	<u>(729,453)</u>	<u>(579,057)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets - option payments	-	(50,000)
Exploration and evaluation assets - exploration expenses	(4,293,765)	(2,662,115)
Purchase of property and equipment	<u>(27,661)</u>	<u>(6,392)</u>
Net cash used in investing activities	<u>(4,321,426)</u>	<u>(2,718,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease payments	(10,305)	(10,304)
Proceeds from private placements, net	4,987,543	3,503,538
Proceeds from exercise of options	115,000	-
Proceeds from exercise of warrants	2,042,605	200,000
Repayment of credit facility	(728,962)	(50,000)
Repayment of loans	-	(240,000)
Net cash provided by financing activities	<u>6,405,881</u>	<u>3,403,234</u>
Change in cash during the period	1,355,002	105,670
Cash, beginning of period	<u>265,712</u>	<u>302,362</u>
Cash, end of period	<u>\$ 1,620,714</u>	<u>\$ 408,032</u>

Supplemental disclosures with respect to cash flows (Note 13)

The accompanying notes are an integral part of these condensed interim financial statements.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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1. NATURE OF OPERATIONS

Tudor Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on January 20, 2010. On April 28, 2016, the Company was continued from the Province of Alberta to the Province of British Columbia. The Company changed its name to Tudor Gold Corp. on May 11, 2016. On April 6, 2016, the Company completed its Qualifying Transactions by entering into a definitive acquisition agreement with Tudor Holdings Ltd. (“Tudor Holdings”) involving the issuance of 30,000,000 common shares of the Company at a deemed price of \$0.10 per share in exchange for rights to the Mackie property located in the Skeena Mining Division of northwestern British Columbia (Notes 4 and 7). The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “TUD”. The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

The head office and principal business address of the Company is Suite 205 – 837 West Hastings St., Vancouver, BC, V6C 3N6.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements, including comparatives have been prepared in accordance with IAS 34, “Interim Financial Reporting” of the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2019.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on November 27, 2019.

Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments as described in Note 11, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

Certain comparative financial information has been reclassified to conform with this year’s presentation.

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Going Concern

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. During the six months ended September 30, 2019, the Company incurred a comprehensive loss of \$1,630,114 (2018 - \$1,246,774) and as at September 30, 2019 had an accumulated deficit of \$10,657,099 (March 31, 2019 - \$9,026,985). The Company will require additional capital to finance future operations and growth and if the Company is unable to obtain additional financing, it may be unable to continue as a going concern. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Valuation of stock options and share purchase warrants

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

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Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

Economic recoverability of exploration and evaluation assets

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Changes in accounting policies**IFRS 16 – Leases**

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company's only lease obligation is detailed in Note 9 and, as a result, there was impact on the financial statements upon adoption of IFRS 16.

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For the six months ended September 30, 2019

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

For the six months ended September 30, 2019:

	Mackie East	Mackie West	Treaty Creek	Electrum	Other	Total
ACQUISITION						
Balance, March 31, 2019	\$ 1,050,000	\$ 1,000,000	\$ 1,877,400	\$ 2,427,400	\$ 872,170	\$ 7,226,970
Share option payments	\$ 75,000	\$ 75,000			\$ 656,250	\$ 806,250
Balance, September 30, 2019	\$ 1,125,000	\$ 1,075,000	\$ 1,877,400	\$ 2,427,400	\$ 1,528,420	\$ 8,033,220
EXPLORATION						
Balance, March 31, 2019	\$ 49,506	\$ 13,519	\$ 11,437,253	\$ 1,107,189	\$ 7,461	\$ 12,614,928
Additions:						
Air transportation	-	-	1,302,861	-	-	1,302,861
Assaying	-	-	194,293	-	-	194,293
Consulting fees	3,737	244	111,306	-	487	115,774
Drilling	-	-	1,382,292	-	-	1,382,292
Environmental studies	-	-	-	15,743	-	15,743
Field costs	-	-	1,033,494	-	-	1,033,494
First nations consulting	-	-	20,000	-	-	20,000
Geophysics	-	-	28,960	-	-	28,960
Geology	-	-	159,093	2,675	2,500	164,268
Road access	-	-	-	(40)	-	(40)
Travel	-	-	36,120	-	-	36,120
Total additions for the period	3,737	244	4,268,419	18,378	2,987	4,293,765
Balance, September 30, 2019	\$ 53,243	\$ 13,763	\$ 15,705,672	\$ 1,125,567	\$ 10,448	\$ 16,908,693
CARRYING VALUE						
March 31, 2019	\$ 1,099,506	\$ 1,013,519	\$ 13,314,653	\$ 3,534,589	\$ 879,631	\$ 19,841,898
September 30, 2019	\$ 1,178,243	\$ 1,088,763	\$ 17,583,072	\$ 3,552,967	\$ 1,538,868	\$ 24,941,913

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(Expressed in Canadian dollars)

For the year ended March 31, 2019:

	Mackie East	Mackie West	Treaty Creek	Electrum	Other	Total
ACQUISITION						
Balance, March 31, 2018	\$ 1,050,000	\$ 1,000,000	\$ 1,877,400	\$ 2,377,400	\$ 1,094,670	\$ 7,399,470
Share option payments	-	-	-	-	289,000	289,000
Cash option payments	-	-	-	50,000	-	50,000
Impairment write-down	-	-	-	-	(511,500)	(511,500)
Balance, March 31, 2019	\$ 1,050,000	\$ 1,000,000	\$ 1,877,400	\$ 2,427,400	\$ 872,170	\$ 7,226,970

EXPLORATION

Balance, March 31, 2018	\$ 49,506	\$ 13,519	\$ 7,926,953	\$ 776,642	\$ 81,211	\$ 8,847,831
Air transportation	-	-	960,191	-	10,125	970,316
Assaying	-	-	142,309	8,349	-	150,658
Consulting fees	-	-	237,871	129,619	5,594	373,084
Drilling	-	-	1,124,155	-	-	1,124,155
Environmental studies	-	-	-	66,704	-	66,704
Field costs	-	-	680,472	12,464	1,600	694,536
Geophysics	-	-	-	104,425	-	104,425
Geology	-	-	55,806	3,828	251	59,885
Road access	-	-	-	5,158	-	5,158
Travel	-	-	309,496	-	1,667	311,163
Impairment write-down	-	-	-	-	(92,987)	(92,987)
Balance, March 31, 2019	\$ 49,506	\$ 13,519	\$ 11,437,253	\$ 1,107,189	\$ 7,461	\$ 12,614,928

CARRYING VALUE

March 31, 2018	\$ 1,099,506	\$ 1,013,519	\$ 9,804,353	\$ 3,154,042	\$ 1,175,881	\$ 16,247,301
March 31, 2019	\$ 1,099,506	\$ 1,013,519	\$ 13,314,653	\$ 3,534,589	\$ 879,631	\$ 19,841,898

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Mackie East, Mackie West and Doc claims

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings involving the issuance of 30,000,000 common shares of the Company at a value of \$0.10 per share (issued) (Note 7) in exchange for rights to the Mackie Property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares will be subject to an escrow agreement, under which the shares will be released over the next three years. The Mackie Property consists of three main claim groups: Mackie East, Mackie West and the Doc claims.

The Mackie East claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making property payments totaling \$250,000 over the next three years (\$50,000 paid). The Mackie East claims are subject to a 2.5% net smelter return ("NSR") royalty.

The Mackie West claims are not subject to an underlying option agreement and will be wholly owned on completion of the acquisition agreement. There are no NSR royalties in respect of these claims.

The Doc claims were subject to an option agreement, whereby the Company would acquire a 100% interest in the claims by making property payments totaling \$2,000,000 over the next three years. The option agreement was amended in November 2016, such that the \$50,000 cash payment due in November 2016 was replaced by the issuance of 70,000 common shares of the Company to the optionor (issued with a value of \$38,500). The Doc claims are subject to a 2.5% NSR royalty. During the year ended March 31, 2018, the Company recorded a provision for write-down of \$1,113,738 to a carrying value of \$Nil related to the Doc claims.

In September 2018, the Company entered into an agreement (the "Amending Agreement") with John Bot (the "Optionor") amending certain payment terms of the original option agreement to acquire a 100% interest in the Doc claims. The Amending Agreement provides for the issuance of 150,000 common shares (issued with a value of \$36,000) (Note 7) of the Company in lieu of a cash payment of \$50,000 due on September 15, 2018 as well as an extension of the remaining scheduled payments.

As at March 31, 2019, the Company recorded a provision for write-down of \$47,776 related to the Doc property. During the six months ended September 30, 2019, the Company terminated its option agreement on the Doc property.

During the six month period ended September 30, 2019, the Company and Richard Mill mutually have agreed to amend the terms of a purchase and sale agreement dated September 15, 2015 (and assigned to the Company by Tudor Holdings Ltd. under an acquisition agreement dated April 6, 2016) (the "Mill Purchase Agreement").

Under the Mill Purchase Agreement, Mr. Mill agreed to sell a 100% interest in certain mineral claims located in the Skeena Mining Division in the Province of British Columbia (the "Skeena Claims") for an aggregate purchase price of \$250,000. The Company and Mr. Mill entered into an amending agreement, whereby the aggregate consideration required to purchase the Skeena Claims consists of 300,000 common shares (issued), an aggregate sum of \$125,000 (\$100,000 paid) and the transfer by the Company to Mr. Mill of a 100% interest in two mineral claims with the tenure numbers 1039253 and 1040402 owned by the Company. Regulatory approval was received on August 27, 2019.

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Treaty Creek Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Treaty Creek Property located in northwestern British Columbia by acquiring a 31% interest from American Creek Resources Ltd. ("American Creek"), which held a 51% stake, and a 29% interest from Teuton Resources Corp. ("Teuton"), which held a 49% interest. The Company acquired the combined 60% interest by issuing 500,000 common shares to each of American Creek and Teuton with a combined value of \$1,260,000 (issued). As part of the agreement, the Company agreed to complete a minimum of \$1,000,000 in exploration expenditures on the Treaty Creek Property during 2016 (completed). Pursuant to the agreement, the Company holds a 60% interest and each of American Creek and Teuton hold a 20% interest. Both American Creek's and Teuton's 20% interests are carried during the exploration period until a production notice is given, at which time they will each be responsible for 20% of the costs under and subject to the terms of the joint venture agreement. The Property is subject to 3% NSR royalties under the terms of the agreement and the Company is designated as operator of the joint venture.

Electrum Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Electrum Property located in northwestern British Columbia from American Creek, by issuing 1,000,000 common shares with a value of \$1,260,000 (issued) and paying \$500,000 (paid). As part of the agreement, the Company also acquired 3,125,000 shares of American Creek by investing \$250,000 pursuant to a private placement, at a price of \$0.08 per American Creek share (Note 5). Under the terms of the agreement, the Company is designated as operator of the joint venture.

The Electrum Property comprises eight claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for \$1,000,000.

On June 19, 2018 the Company entered into an option agreement to acquire the remaining 40% interest in the Electrum property from American Creek by making option payments of \$50,000 (paid) on signing of the agreement and \$2,650,000 on or before August 15, 2018. During the year ended March 31, 2019 the Company let the option to acquire the remaining 40% interest lapse.

Eskay North Property

On May 10, 2016, the Company acquired a 100% interest in a single mining claim in the Skeena Mining Division of northwestern British Columbia, known as the Eskay North Property. As consideration for the claim, the Company issued 750,000 common shares over a twelve-month period (issued with a combined value of \$605,000). The Eskay North Property is subject to a 2.5% NSR royalty payable to the vendor.

Orion Property

On June 1, 2016, the Company entered into an option agreement to acquire a 100% interest in the Orion Property located in the Skeena Mining Division of northwestern British Columbia by making option payments totaling \$700,000 (\$200,000 paid) and the issuance of 700,000 common shares over a five-year period (300,000 common shares issued with a value of \$375,000). The Property is subject to a 2.5% NSR royalty. During the year ended March 31, 2019, the Company wrote off its \$556,711 investment in the property.

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In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Orion property in which certain payment terms have been amended. Pursuant to the amended payment terms, in order to maintain its option, the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018 (Note 7) and must pay \$50,000 (amended below) and issue 50,000 (amended below) common shares on or before June 1, 2019; must pay \$50,000 and issue 50,000 common shares on or before June 1, 2020 and must pay \$450,000 and issue 250,000 common shares on or before June 1, 2021. One of the terms of the agreement was amended on July 10, 2019, whereby the Company issued 175,000 common shares with five business days of the Company receiving TSXV approval of the amending agreement. All other provisions of the original remain unchanged. Regulatory approval was received on August 27, 2019.

Fairweather, Delta and High North Property Option Agreements

On May 24, 2016, the Company entered into agreements with Tudor Holdings to assume option agreements on three properties in the Skeena Mining Division of northwestern British Columbia. The Company was granted the right to acquire a 100% interest in the three properties pursuant to the terms of assignment and assumption agreements. The properties are known as the Fairweather Property, the Delta Property, and the High North Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$568,743 to a carrying value of \$Nil related to the Fairweather Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$205,951 to a carrying value of \$Nil related to the Delta Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$202,468 to a carrying value of \$Nil related to the High North Property.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Fairweather property, the Delta property and the High North property in which certain payment terms have been amended. The amended payment terms are as follows:

- Fairweather property: in order to maintain the option, the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018 (Note 7); and in order to maintain the option, must pay \$60,000 and issue 50,000 common shares on or before December 15, 2018 (not paid); must pay \$70,000 and issue 50,000 common shares on or before December 15, 2019 and must pay \$120,000 and issue 250,000 common shares on or before December 15, 2020.
- Delta property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 7); and in order to maintain the option, must pay \$100,000 on March 1, 2019 (not paid) and \$600,000 on March 1, 2020.
- High North property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 7); and in order to maintain the option, must pay \$100,000 on March 1, 2019 (not paid) and \$600,000 on March 1, 2020.

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During the six month period ended September 30, 2019, the Company reached an agreement with Teuton to amend the revised option agreements on the Fairweather property, the Delta property, the High North property and the Orion property, in which certain payment provisions have been amended. Under the terms of the Amending Agreements to exercise the Options, the Company has agreed to pay an aggregate sum of \$1,890,000 until 2022 and issue an aggregate of 1,375,000 common shares. The following common shares were issued as part of the amended agreement:

- Orion Property: 175,000 shares were issued within five business days of Tudor receiving TSXV approval of the Amending Agreement; all other provisions of the Orion Agreement shall remain unchanged. Discussed above under Orion Property disclosure.
- Fairweather Property: 200,000 shares were issued within five business days of Tudor receiving TSXV approval of the Amending Agreement; all other provisions of the Orion Agreement shall remain unchanged.
- Delta Property: 200,000 shares were issued within five business days of Tudor receiving TSXV approval of the Amending Agreement; \$100,000 to be paid on or before March 1, 2020; \$200,000 to be paid on or before March 1, 2021; and \$300,000 to be paid on or before March 1, 2022.
- High North Property: 200,000 shares were issued within five business days of Tudor receiving TSXV approval of the Amending Agreement; \$100,000 to be paid on or before March 1, 2020; \$200,000 to be paid on or before March 1, 2021; and \$300,000 to be paid on or before March 1, 2022.

Regulatory approval was received on August 27, 2019.

Reclamation Bonds

During the year ended March 31, 2018, the Company paid \$145,600 for reclamation bonds to the Minister of Finance. The bonds are recoverable, subject to the Company meeting the B.C. Ministry of Energy and Mines reclamation requirements.

5. INVESTMENTS

Pursuant to the Company's joint venture agreement with American Creek related to the Electrum Property, the Company acquired 3,125,000 shares of American Creek by investing \$250,000 at a price of \$0.08 per American Creek share (Note 4).

	September 30, 2019		March 31, 2019	
	Cost	Fair Value	Cost	Fair Value
American Creek:				
3,125,000 common shares	\$ 250,000	\$ 312,500	\$ 250,000	\$ 125,000
	\$ 250,000	\$ 312,500	\$ 250,000	\$ 125,000

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During the six months ended September 30, 2019 the Company recognized a gain of \$187,500 as a fair value adjustment to the investment. The amount of \$187,500 has been recorded under accumulated other comprehensive income.

6. PROPERTY AND EQUIPMENT

	Building	Land	Equipment	Vehicle	Website	Total
COSTS						
Balance, March 31, 2018	\$ 38,750	\$ 33,750	\$ 90,481	\$ 30,000	\$ 22,103	\$ 215,084
Additions (Dispositions)	-	-	21,590	(16,000)	37,862	43,452
Balance, March 31, 2019	38,750	33,750	112,071	14,000	59,965	258,536
Additions	-	-	26,650	-	1,011	27,661
Balance, September 30, 2019	\$ 38,750	\$ 33,750	\$ 138,721	\$ 14,000	\$ 60,976	\$ 286,197
ACCUMULATED DEPRECIATION						
Balance, March 31, 2018	\$ 2,875	\$ -	\$ 11,310	\$ 4,859	\$ 8,619	\$ 27,663
Depreciation	1,937	-	25,319	2,750	10,259	40,265
Disposition	-	-	-	(3,781)	-	(3,781)
Balance, March 31, 2019	4,812	-	36,629	3,828	18,878	64,147
Depreciation	969	-	14,841	875	7,559	24,244
Balance, September 30, 2019	\$ 5,781	\$ -	\$ 51,470	\$ 4,703	\$ 26,437	\$ 88,391
NET BOOK VALUE						
March 31, 2019	\$ 33,938	\$ 33,750	\$ 75,442	\$ 10,172	\$ 41,087	\$ 194,389
September 30, 2019	\$ 32,969	\$ 33,750	\$ 87,251	\$ 9,297	\$ 34,539	\$ 197,806

7. SHAREHOLDERS' EQUITY**Authorized share capital**

Unlimited common shares, without par value.

Unlimited preferred shares issuable in series.

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Share issuances

During the year ended March 31, 2019, the Company issued the following common shares:

On April 16, 2018, the Company closed a non-brokered private placement, consisting of 2,080,000 shares at a price of \$0.40 per share and 2,920,000 units at a price of \$0.40 per unit, for aggregate gross proceeds of \$2,000,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.65 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of \$9,115.

On June 11, 2018, the Company issued 2,000,000 common shares, pursuant to the exercise of 2,000,000 warrants for proceeds of \$200,000.

On July 5, 2018, the Company closed a non-brokered private placement, consisting of 1,000,000 units at a price of \$0.35 per unit for aggregate gross proceeds of \$350,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of \$21,000 and issued 60,000 non-transferable finder's warrants valued at \$9,377, with each finder's warrant exercisable for a common share of the Company at an exercise price of \$0.45 per share for a period of two years. The finders' warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions: term of 2 years; expected volatility of 86.48%; risk-free rate of 1.26% and expected dividends of Nil.

On July 26, 2018, the Company closed a non-brokered private placement, consisting of 2,857,142 units at a price of \$0.35 per unit for aggregate gross proceeds of \$1,000,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 per share for a period of two years from the closing. A value of \$14,286 was attributed to the warrant component of the units.

On September 25, 2018, the Company closed a non-brokered private placement, consisting of 3,191,481 units at a price of \$0.27 per unit for aggregate gross proceeds of \$861,700. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.40 per share for a period of one year from the closing. A value of \$223,404 was attributed to the warrant component of the units.

On September 28, 2018, the Company issued 333,333 common shares valued at \$76,667 related to the High North property; 216,667 common shares valued at \$49,833 related to the Fairweather property; 333,333 common shares valued at \$76,667 related to the Delta property; and 216,667 common shares valued at \$49,833 related to the Orion property (Note 4).

On October 4, 2018, the Company issued 150,000 common shares valued at \$36,000 related to the Doc claims (Note 4).

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On March 19, 2019, the Company closed a non-brokered private placement, consisting of 11,934,200 units at a price of \$0.25 per unit for aggregate gross proceeds of \$2,983,550. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.40 per share for a year from the closing. In connection with the offering, the Company paid cash finder's fees of \$103,395.

In connection with the offerings, the Company incurred other share issuance costs of \$69,948.

During the six month period ended September 30, 2019, the Company issued the following common shares:

On April 4, 2019, the Company issued 3,214,285 common shares of the Company in consideration for the settlement of a total of \$900,000 in accrued liabilities to certain creditors.

On June 7, 2019, the Company closed a non-brokered private placement, consisting of 5,625,000 flow-through units at a price of \$0.32 per unit, for gross proceeds of \$1,800,000 (Note 10) and 1,673,784 non-flow-through units at a price of \$0.30 per unit for gross proceeds of \$502,135. Each flow-through unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.50 per share for a period of one year from the closing. Each non-flow-through unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.50 per share for a period of one year from the closing. In connection with the offering, the Company paid a cash finder's fee of \$132,800 and issued 222,500 non-transferable finders' warrants. A fair value was estimated to be \$40,864 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 77.11%; risk-free rate of 1.41%; and expected dividends of Nil. Each finders' warrant entitles the holder to purchase one common share at a price of \$0.32 for a period of two years from closing.

On June 14, 2019, the Company entered into a debt settlement agreement whereby the Company issued 79,365 common shares to settle debt in the amount of \$25,000 to Greenwood Environmental Inc.

On July 18, 2019, the Company completed a non-brokered private placement consisting of 6,666,666 units at a price of \$0.45 per unit, for gross proceeds of \$3,000,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.55 expiring on July 18, 2020.

On September 3, 2019, the Company issued 1,075,000 shares at \$0.75 per shares for a value of \$806,250 pursuant to mineral property option agreement amendments (Note 4).

Between April 1, 2019 and September 30, 2019 the Company issued 850,000 shares pursuant to the exercise of 850,000 stock options at exercise prices ranging from \$0.10 to \$0.40 per share for gross proceeds of \$115,000. The Company reallocated the fair value of these stock options previously recorded in the amount of \$89,404 from equity reserves to share capital.

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Between April 1, 2019 and September 30, 2019 the Company issued 4,798,231 shares pursuant to the exercise of 4,798,231 warrants at exercise prices ranging from \$0.40 to \$0.65 per share for gross proceeds of \$2,042,605. The Company reallocated the fair value of these warrants previously recorded in the amount of \$9,377 from equity reserves to share capital.

Escrow shares

As of September 30, 2019, there were Nil common shares held in escrow (March 31, 2019 – 4,586,250).

Stock options

The Company adopted an incentive stock option plan (the “Option Plan”) which allows the Company’s Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

On March 20, 2019, the Company granted 5,450,000 stock options with an exercise price of \$0.30 per share expiring March 20, 2024, with 4,850,000 options vesting immediately, 400,000 options vesting on each of the next four anniversary dates of the grant date and 200,000 options vesting each of the next two anniversary dates of the grant date. The fair value of the stock options was estimated to be \$1,470,301 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 85.01%; risk-free rate of 1.58%; and expected dividends of Nil. A share-based compensation of \$48,336 was recognized during the six months ended September 30, 2019.

On March 20, 2019, the Company granted 100,000 stock options with an exercise price of \$0.35 per share expiring March 20, 2024. The fair value of the stock options was estimated to be \$26,034 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 85.01%; risk-free rate of 1.58%; and expected dividends of Nil.

On April 22, 2019, the Company granted 300,000 stock options with an exercise price of \$0.40 per share expiring April 22, 2024. The fair value of the stock options was estimated to be \$66,972 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 85.08%; risk-free rate of 1.64%; and expected dividends of Nil.

On June 18, 2019, the Company granted 150,000 stock options with an exercise price of \$0.38 per share expiring June 18, 2024, with 37,500 options vesting immediately, 37,500 options vesting every three months. The fair value of the stock options was estimated to be \$39,303 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 84.66%; risk-free rate of 1.33%; and expected dividends of Nil. A share-based compensation of \$28,932 was recognized during the six months ended September 30, 2019.

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On August 2, 2019, the Company granted 700,000 stock options with an exercise price of \$0.67 per share expiring August 2, 2024. The fair value of the stock options was estimated to be \$270,065 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 68.51%; risk-free rate of 1.78%; and expected dividends of Nil.

Changes in stock options for the six months ended September 30, 2019 and the year ended March 31, 2019 are as follows:

	September 30, 2019		March 31, 2019	
	Number of stock options	Exercise price	Number of stock options	Exercise price
Outstanding, beginning	9,750,000	\$ 0.34	4,800,000	\$ 0.15
Granted	1,150,000	\$ 0.58	5,550,000	\$ 0.66
Exercised	(850,000)	\$ 0.14	-	\$ -
Expired	-	\$ -	(300,000)	\$ 0.10
Expired	-	\$ -	(300,000)	\$ 0.55
Outstanding, ending	10,050,000	\$ 0.38	9,750,000	\$ 0.34
Exercisable, ending	9,475,000	\$ 0.38	9,150,000	\$ 0.34

Stock options outstanding as at September 30, 2019 are as follows:

Grant Date	Number of stock options	Exercise Price	Expiry Date
April 19, 2016	1,350,000	\$0.10	April 19, 2026
October 2, 2017	600,000	\$1.00	March 15, 2022*
March 15, 2018	1,200,000	\$0.55	March 15, 2022*
March 15, 2018	300,000	\$0.45	March 15, 2020
March 20, 2019	5,450,000	\$0.30	March 20, 2024
March 20, 2019	100,000	\$0.35	March 20, 2024
April 22, 2019	200,000	\$0.40	April 22, 2024
June 18, 2019	150,000	\$0.38	June 18, 2024
August 2, 2019	700,000	\$0.67	August 2, 2024

10,050,000

* During the six month period ended September 30, 2019 the Company extended the expiry of certain stock options previously granted to consultants to the Company from October 2, 2019 and March 15, 2020 to March 15, 2022.

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Warrants

Changes in share purchase warrants for the six months ended September 30, 2019 and the year ended March 31, 2019 are as follows:

	September 30, 2019		March 31, 2019	
	Number of warrants	Exercise price	Number of warrants	Exercise price
Outstanding, beginning	22,069,994	\$ 0.48	3,567,171	\$ 0.49
Issued	8,042,117	\$ 0.52	20,502,823	\$ 0.45
Exercised	(4,798,231)	\$ 0.43	(2,000,000)	\$ 0.10
Expired	(211,032)	\$ 0.40	-	\$ -
Outstanding, ending	25,102,848	\$ 0.45	22,069,994	\$ 0.48

Share purchase warrants outstanding as at September 30, 2019 are as follows:

Issue Date	Number of warrants	Exercise Price	Expiry Date
August 21, 2017	1,263,639	\$1.00	August 21, 2020 ^A
October 30, 2017	205,000	\$1.00	October 30, 2020 ^B
April 16, 2018	1,278,750	\$0.65	April 16, 2020
July 5, 2018	500,000	\$0.55	July 5, 2020
July 26, 2018	2,857,142	\$0.55	July 26, 2020
March 19, 2019	10,956,200	\$0.40	March 19, 2020
June 6, 2019	2,812,500	\$0.50	June 6, 2020
June 6, 2019	1,673,784	\$0.50	June 6, 2020
June 6, 2019	222,500	\$0.32	June 6, 2021
July 18, 2019	3,333,333	\$0.55	July 18, 2020
	25,102,848		

A) During the six month period ended September 30, 2019 the Company extended the expiry date of certain warrants previously granted from August 21, 2019 to August 21, 2020.

B) During the six month period ended September 30, 2019 the Company extended the expiry date of certain warrants previously granted from October 30, 2019 to October 30, 2020.

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8. RELATED PARTY TRANSACTIONS

As at September 30, 2019, a total of \$320,917 (March 31, 2019 - \$74,258) was owing to officers, directors, former directors and companies controlled by directors of the Company and is included in accounts payable and accrued liabilities.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the six months ended September 30, 2019, the Company paid salaries and wages of \$98,000 (2018 - \$Nil) to Aris Morfopoulos, the Chief Financial Officer of the Company and paid and/or accrued management fees of \$Nil (2018 - \$48,000) to Morfopoulos Consulting Associates Ltd, a company controlled by the Chief Financial Officer of the Company, for management, accounting and administrative services.

The Company paid and/or accrued consulting fees of \$Nil (2018 - \$90,000) to Ray Marks, the former Executive VP and former director of the Company, for management and supervision of field operations. The Company also paid and/or accrued a total of \$Nil (2018 - \$32,881) to Ray Marks for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period.

The Company paid and/or accrued consulting fees of \$81,200 (2018 - \$Nil) to Ken Konkin, the exploration manager of the Company, for management and supervision of field operations. The Company also paid and/or accrued a total of \$46,117 (2018 - \$Nil) to Ken Konkin for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period.

The Company paid and/or accrued fees of \$2,058,467 (2018 - \$Nil) to More Core Drilling Services Ltd. ("More Core"), a company controlled by Sean Pownall, a director of the Company. These fees have been capitalized under exploration and evaluation assets and recorded as drilling expenditures.

During the six months ended September 30, 2019, the Company accrued salaries and wages of \$60,000 (2018 - \$60,000) to Walter Storm, the Chief Executive Officer of the Company. As at September 30, 2019, \$Nil (March 31, 2019 - \$72,205) is owing to Walter Storm and included in accounts payable.

During the six months ended September 30, 2019, the Company paid and/or accrued management fees of \$24,000 (2018 - \$24,000) to Tudor Holdings, a company controlled by an officer and director of the Company. As at September 30, 2019, \$4,200 (March 31, 2019 - \$Nil) is owing to this company and included in accounts payable.

On May 10, 2016, the Company entered into a credit facility agreement with Tudor Holdings for up to \$650,000 for the purpose of funding the acquisition, exploration and development of the Company's mineral properties. The credit facility is due to be repaid on May 10, 2020, is unsecured and non-convertible, with an interest rate of 8% per annum. On August 15, 2019, the principal amount of \$650,000 and accrued interest of \$84,498 were repaid in full on this credit facility.

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On April 5, 2019, the Company received a short-term loan of \$100,000 from Zoe Storm, a family member of the Chief Executive Officer of the Company. The loan is unsecured, non-interest bearing and due on demand. The loan was repaid in full on July 19, 2019.

9. LEASE OBLIGATION

On June 16, 2017, the Company entered into a four year finance lease for field equipment. The Company paid \$10,000 plus taxes on signing as its first lease payment and is required to pay \$1,605 per month plus taxes until May 2021. The present value of the total lease obligation was \$85,295 using the financing rate of 3.99%. As at September 30, 2019, \$18,435 (March 31, 2019 - \$18,808) of the lease obligation is due within one year and \$11,887 (March 31, 2019 - \$21,013) is due to be repaid over the remaining term of the lease. During the six months ended September 30, 2019, the Company recorded a total accretion expense of \$806 (2018 - \$420) related to this lease obligation.

10. FLOW-THROUGH OBLIGATION

During the six months ended September 30, 2019, the Company issued 5,625,000 flow-through shares (Note 7). The Company is required to incur eligible Canadian Exploration Expenditures by June 2021.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2019, the Company's financial instruments are comprised of cash, investment, reclamation deposits, accounts payable and accrued liabilities, lease obligations, short-term loans and credit facility. The fair values of these financial instruments approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at September 30, 2019, the fair value of cash and investments (Note 5) held by the Company was based on level 1 of the fair value hierarchy. The fair value of the Company's lease obligations, short-term loans and credit facility approximate the carrying values as the contractual interest rates are comparable to current market interest rates.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2019, the Company had cash of \$1,620,714 to settle current liabilities of \$1,146,005. All of the Company's current financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's current exposure to interest rate risk is limited to its cash and cash equivalents yielding interest income at varying rates. The Company's interest obligations on its credit facility, loan payable and certain accounts payable balances, are fixed. The Company's current exposure to interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has nominal expenses denominated in a foreign currency, so it is not exposed to any significant foreign currency risk.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2019, the Company's shareholders' equity was \$26,518,394 and it had current liabilities of \$1,146,005. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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The Company's current capital was received from the issuance of common shares as well as a loan and a credit facility from related parties. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended September 30, 2019.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**During the six months ended September 30, 2019**

The Company issued a total 3,293,650 common shares valued at \$1,123,412 to settle debts in the amount of \$925,000, resulting in a loss of \$198,412.

In connection with the June 2019 private placement, the Company issued 222,500 finders' warrants valued at \$40,864 (Note 7).

The Company issued 1,375,000 common shares pursuant to an agreement with Tueton to amend the revised option agreements on the Fairweather property, the Delta property, the High North property and the Orion property (Note 6).

During the six months ended September 30, 2018

The Company issued a total of 1,000,000 common shares valued at \$253,000 for the acquisition of exploration and evaluations assets.

In connection with a July 5, 2018 private placement, the Company issued 60,000 finders' warrants valued at \$9,377.

14. SUBSEQUENT EVENTS

Subsequent to September 30, 2019, the Company:

- a) Issued 300,000 common shares pursuant to the exercise of 300,000 warrants at \$0.40 per share for gross proceeds of \$120,000.