



**TUDOR GOLD CORP.**

**(An Exploration Stage Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

**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, 2020	March 31, 2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,966,869	\$ 6,087,954
Restricted cash (Note 4)	-	57,500
Amounts receivable	1,095,720	311,976
Investment (Note 6)	906,250	140,625
Prepays and deposits	141,881	6,000
	<u>11,110,720</u>	<u>6,604,055</u>
<b>Reclamation deposits</b> (Note 5)	226,600	145,600
<b>Exploration and evaluation assets</b> (Note 5)	44,367,213	25,419,736
<b>Exploration advances</b> (Note 5)	355,262	432,254
<b>Property and equipment</b> (Note 7)	145,057	171,897
<b>Total assets</b>	<u>\$ 56,204,852</u>	<u>\$ 32,773,542</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 4,055,123	\$ 249,055
Current portion of lease obligations (Note 10)	13,600	20,137
	<u>4,068,723</u>	<u>269,192</u>
<b>Lease obligations</b> (Note 10)	-	3,432
<b>Flow-through share premium liabilities</b> (Note 11)	-	96,539
<b>Total liabilities</b>	<u>4,068,723</u>	<u>369,163</u>
<b>Shareholders' equity</b>		
Share capital (Note 8)	61,318,198	40,759,027
Shares subscribed (Note 8)	1,000	-
Equity reserves (Note 8)	8,857,722	4,059,586
Accumulated other comprehensive income (loss)	750,000	(15,625)
Deficit	(18,790,791)	(12,398,609)
<b>Total shareholders' equity</b>	<u>52,136,129</u>	<u>32,404,379</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 56,204,852</u>	<u>\$ 32,773,542</u>

Nature of operations (Note 1)

Basis of presentation (Note 2)

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.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	Three months ended 30-Sep-20	Three months ended 30-Sep-19	Six months ended 30-Sep-20	Six months ended 30-Sep-19
<b>EXPENSES</b>				
Accretion of lease	\$ 143	\$ 427	\$ 335	\$ 806
Automobile	5,026	4,911	9,044	8,728
Consulting fees (Note 9)	115,188	145,822	215,782	336,705
Depreciation (Note 7)	13,436	12,539	26,840	24,244
Management fees (Note 9)	22,000	12,000	40,000	24,000
Office and miscellaneous	27,328	27,472	39,534	38,600
Professional fees	118,072	57,808	194,078	99,246
Salaries and wages (Note 9)	82,684	233,772	161,046	285,283
Shareholder information and promotion	51,220	89,750	102,941	147,607
Share-based compensation (Note 8 and 9)	3,700,900	310,938	5,607,667	414,305
Transfer agent, listing and filing fees	38,067	18,370	49,560	27,523
Travel	35,962	8,376	37,133	12,772
<b>Loss from operations</b>	(4,210,026)	(922,185)	(6,483,960)	(1,419,819)
Foreign exchange gain (loss)	(8,874)	20	(13,599)	20
Interest expense	-	(6,536)	-	(19,465)
Interest income	362	7,562	8,838	7,562
Loss on settlement of debts	-	-	-	(198,412)
Recovery of flow-through share premium liabilities (Note 11)	-	-	96,539	-
<b>Net loss for the period</b>	\$ (4,218,538)	\$ (921,139)	\$ (6,392,182)	\$ (1,630,114)
<b>Other comprehensive loss</b>				
Unrealized gain (loss) on investments (Note 6)	(62,500)	187,500	765,625	187,500
<b>Comprehensive loss for the period</b>	\$ (4,281,038)	\$ (733,639)	\$ (5,626,557)	\$ (1,442,614)
<b>Basic and diluted loss per common share</b>	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.01)
<b>Weighted average number of common shares outstanding (basic and diluted)</b>				
	167,257,314	126,624,751	159,080,052	120,234,932

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

**TUDOR GOLD CORP.**

(An Exploration Stage Company)

**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 (Loss)	Deficit	Total
	Number of Shares	Amount					
<b>Balance, March 31, 2019</b>	<b>108,758,261</b>	<b>\$ 25,073,362</b>	<b>\$ -</b>	<b>\$ 2,456,766</b>	<b>\$ (31,250)</b>	<b>\$ (9,026,985)</b>	<b>\$ 18,471,893</b>
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)
<b>Balance, September 30, 2019</b>	<b>132,740,592</b>	<b>\$ 34,206,089</b>	<b>\$ -</b>	<b>\$ 2,813,154</b>	<b>\$ 156,250</b>	<b>\$ (10,657,099)</b>	<b>\$ 26,518,394</b>
<b>Balance, March 31, 2020</b>	<b>146,718,806</b>	<b>\$ 40,759,027</b>	<b>\$ -</b>	<b>\$ 4,059,586</b>	<b>\$ (15,625)</b>	<b>\$ (12,398,609)</b>	<b>\$ 32,404,379</b>
Private placements	6,652,700	9,313,780	-	-	-	-	9,313,780
Exercise of options	950,000	741,778	-	(322,778)	-	-	419,000
Exercise of warrants	12,819,773	7,848,965	-	(486,753)	-	-	7,362,212
Shares for exploration and evaluation assets	1,981,927	2,896,071	-	-	-	-	2,896,071
Share issue costs	-	(241,423)	-	-	-	-	(241,423)
Share subscriptions received in advance	-	-	1,000	-	-	-	1,000
Share-based compensation	-	-	-	5,607,667	-	-	5,607,667
Fair value adjustment on investment	-	-	-	-	765,625	-	765,625
Loss for the period	-	-	-	-	-	(6,392,182)	(6,392,182)
<b>Balance, September 30, 2020</b>	<b>169,123,206</b>	<b>\$ 61,318,198</b>	<b>\$ 1,000</b>	<b>\$ 8,857,722</b>	<b>\$ 750,000</b>	<b>\$ (18,790,791)</b>	<b>\$ 52,136,129</b>

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,	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (6,392,182)	\$ (1,630,114)
Accretion on lease obligations	335	806
Accrued interest expense	-	12,929
Depreciation	26,840	24,244
Share-based compensation	5,607,667	414,305
Loss on settlement of debts	-	198,412
Recovery of flow-through share premium liabilities	(96,539)	-
Changes in non-cash working capital items:		
Amounts receivable	(783,744)	(227,904)
Prepays and deposits	(135,881)	573
Accounts payable and accrued liabilities	351,385	477,296
Net cash used in operating activities	(1,422,119)	(729,453)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reclamation deposit	(81,000)	-
Exploration and evaluation assets - option payments	(250,000)	-
Exploration and evaluation assets - exploration expenses	(11,979,231)	(4,293,765)
Exploration Advances	(233,000)	-
Purchase of property and equipment	-	(27,661)
Net cash used in investing activities	(12,543,231)	(4,321,426)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance lease payments	(10,304)	(10,305)
Proceeds from private placements, net	9,072,357	4,987,543
Proceeds from exercise of options	419,000	115,000
Proceeds from exercise of warrants	7,362,212	2,042,605
Share subscriptions received	1,000	-
Repayment of credit facility	-	(728,962)
Net cash provided by financing activities	16,844,265	6,405,881
<b>Change in cash during the period</b>	2,878,915	1,355,002
<b>Cash, beginning of period</b>	6,087,954	265,712
<b>Cash, end of period</b>	\$ 8,966,869	\$ 1,620,714

**Supplemental disclosures with respect to cash flows** (Note 14)

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

## **TUDOR GOLD CORP.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

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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 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.

As at September 30, 2020, the Company had working capital of \$7,041,997. The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company at this time to predict the duration or magnitude of the impact of the pandemic towards the Company’s business or results from its operations.

#### **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, 2020.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on November 27, 2020.

##### 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 12, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

## **TUDOR GOLD CORP.**

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### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

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### **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.

#### 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.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

**4. RESTRICTED CASH**

The Company has a term deposit of \$Nil as collateral for its corporate credit card (March 31, 2020 - \$57,500).

**5. EXPLORATION AND EVALUATION ASSETS**

For the six months ended September 30, 2020:

	<b>Mackie East</b>	<b>Mackie West</b>	<b>Treaty Creek</b>	<b>Electrum</b>	<b>Other</b>	<b>Total</b>
<b>ACQUISITION</b>						
<b>Balance, March 31, 2020</b>	<b>\$ 1,130,334</b>	<b>\$ 1,080,333</b>	<b>\$ 1,877,400</b>	<b>\$ 2,427,400</b>	<b>\$ 1,510,503</b>	<b>\$ 8,025,970</b>
Share option payments	-	-	-	2,086,000	810,071	2,896,071
Cash option payments	-	-	-	250,000	-	250,000
<b>Balance, Sep 30, 2020</b>	<b>\$ 1,130,334</b>	<b>\$ 1,080,333</b>	<b>\$ 1,877,400</b>	<b>\$ 4,763,400</b>	<b>\$ 2,320,574</b>	<b>\$ 11,172,041</b>
<b>EXPLORATION</b>						
<b>Balance, March 31, 2020</b>	<b>\$ 53,243</b>	<b>\$ 13,763</b>	<b>\$ 16,144,596</b>	<b>\$ 1,153,818</b>	<b>\$ 28,346</b>	<b>\$ 17,393,766</b>
<b>Additions:</b>						
Accommodation	-	-	502,430	-	-	502,430
Assaying	-	-	575,581	-	-	575,581
Consulting fees	-	-	256,791	244	21,329	278,364
Drilling	-	-	5,652,195	-	-	5,652,195
Environmental studies	-	-	120,736	-	-	120,736
Field costs	-	-	4,997,379	-	-	4,997,379
Geology	-	-	563,230	-	-	563,230
Travel and helicopter	-	-	3,868,373	897	897	3,870,167
<b>Total additions for the period</b>	<b>-</b>	<b>-</b>	<b>16,536,715</b>	<b>1,141</b>	<b>22,226</b>	<b>16,560,082</b>
Cost recoveries	-	-	(705,645)	(53,031)	-	(758,676)
<b>Balance, Sep 30, 2020</b>	<b>\$ 53,243</b>	<b>\$ 13,763</b>	<b>\$ 31,975,666</b>	<b>\$ 1,101,928</b>	<b>\$ 50,572</b>	<b>\$ 33,195,172</b>
<b>CARRYING VALUE</b>						
March 31, 2020	\$ 1,183,577	\$ 1,094,096	\$ 18,021,996	\$ 3,581,218	\$ 1,538,849	\$ 25,419,736
<b>Sep 30, 2020</b>	<b>\$ 1,183,577</b>	<b>\$ 1,094,096</b>	<b>\$ 33,853,066</b>	<b>\$ 5,865,328</b>	<b>\$ 2,371,146</b>	<b>\$ 44,367,213</b>

**TUDOR GOLD CORP.**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

For the year ended March 31, 2020:

	<b>Mackie East</b>	<b>Mackie West</b>	<b>Treaty Creek</b>	<b>Electrum</b>	<b>Other</b>	<b>Total</b>
<b>ACQUISITION</b>						
<b>Balance, March 31, 2019</b>	<b>\$ 1,050,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,877,400</b>	<b>\$ 2,427,400</b>	<b>\$ 872,170</b>	<b>\$ 7,226,970</b>
Share option payments	72,000	72,000	-	-	630,000	774,000
Cash option payments	8,334	8,333	-	-	8,333	25,000
<b>Balance, March 31, 2020</b>	<b>\$ 1,130,334</b>	<b>\$ 1,080,333</b>	<b>\$ 1,877,400</b>	<b>\$ 2,427,400</b>	<b>\$ 1,510,503</b>	<b>\$ 8,025,970</b>
<b>EXPLORATION</b>						
<b>Balance, March 31, 2019</b>	<b>\$ 49,506</b>	<b>\$ 13,519</b>	<b>\$ 11,437,253</b>	<b>\$ 1,107,189</b>	<b>\$ 7,461</b>	<b>\$ 12,614,928</b>
<b>Additions:</b>						
Air transportation	-	-	1,312,030	-	-	1,312,030
Assaying	-	-	245,647	-	-	245,647
Consulting fees	3,737	244	214,405	3,250	16,227	237,863
Drilling	-	-	1,439,297	-	-	1,439,297
Environmental studies	-	-	-	40,743	-	40,743
Field costs	-	-	1,122,628	-	-	1,122,628
First nations consulting	-	-	65,000	-	-	65,000
Geophysics	-	-	28,940	-	-	28,940
Geology	-	-	246,700	2,675	2,500	251,875
Road access	-	-	-	(39)	-	(39)
Travel	-	-	32,696	-	2,158	34,854
<b>Total additions for the year</b>	<b>3,737</b>	<b>244</b>	<b>4,707,343</b>	<b>46,629</b>	<b>20,885</b>	<b>4,778,838</b>
<b>Balance, March 31, 2020</b>	<b>\$ 53,243</b>	<b>\$ 13,763</b>	<b>\$ 16,144,596</b>	<b>\$ 1,153,818</b>	<b>\$ 28,346</b>	<b>\$ 17,393,766</b>
<b>CARRYING VALUE</b>						
March 31, 2019	\$ 1,099,506	\$ 1,013,519	\$ 13,314,653	\$ 3,534,589	\$ 879,631	\$ 19,841,898
<b>March 31, 2020</b>	<b>\$ 1,183,577</b>	<b>\$ 1,094,096</b>	<b>\$ 18,021,996</b>	<b>\$ 3,581,218</b>	<b>\$ 1,538,849</b>	<b>\$ 25,419,736</b>

## **TUDOR GOLD CORP.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

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#### **5. EXPLORATION AND EVALUATION ASSETS (continued)**

##### **Mackie East, Mackie West and Doc claims**

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings Ltd. involving the issuance of 30,000,000 common shares of the Company at a value of \$0.10 per share (issued in exchange for rights to the Mackie Property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares were 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 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 8) 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 year ended March 31, 2020, the Company terminated its option agreement on the Doc property.

During the year ended March 31, 2020, the Company entered into an agreement 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, the vendor 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 the vendor entered into an amending agreement, whereby the aggregate consideration required to purchase the Skeena Claims consists of 300,000 common shares (issued with a value of \$216,000), an aggregate sum of \$125,000 (paid) and the transfer by the Company to the vendor of a 100% interest in two mineral claims with the tenure numbers 1039253 and 1040402 owned by the Company.

**TUDOR GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2020 and 2019

(Expressed in Canadian dollars)

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****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 6). 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.

During the period ended September 30, 2020, the Company completed the purchase of the remaining 40% interest in the Electrum Property from American Creek. The purchase price paid was \$250,000 cash and 1,400,000 of the Company’s common shares, which are subject to a contractual 8 month hold period expiring February 16, 2021.

**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.

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****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 investment in the property totaling \$556,711.

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 8) and agreed to the following payment schedule:

- \$50,000 and issue 50,000 common shares on or before June 1, 2019; this was further amended on July 10, 2019, whereby the Company issued 175,000 common shares with a value of \$126,000
- \$50,000 and issue 50,000 common shares on or before June 1, 2020; \$50,000 was settled with 75,301 common shares issued on June 15, 2020 with a value of \$112,198, and per agreement the 50,000 common shares were issued on June 1, 2020
- \$450,000 and issue 250,000 common shares on or before June 1, 2021

**Fairweather, Delta and High North Property Option Agreements**

On May 24, 2016, the Company entered into agreements with Tudor Holdings Ltd. 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 provision charges to fully impair the Fairweather, Delta and High North properties.

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 8); and in order to maintain the option, agreed to the following payment schedule:
  - \$60,000 and issue 50,000 common shares on or before December 15, 2018 (not paid - amended below)
  - \$70,000 and issue 50,000 common shares on or before December 15, 2019 (settled during the period ended September 30, 2020)
  - \$120,000 and issue 250,000 common shares on or before December 15, 2020

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****Fairweather, Delta and High North Property Option Agreements (continued)**

- Delta property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 8); and in order to maintain the option, agreed to the following payment schedule:
  - \$100,000 on March 1, 2019 (not paid - amended below)
  - \$600,000 on March 1, 2020 (amended below)
- High North property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 8); and in order to maintain the option, agreed to the following payment schedule:
  - \$100,000 on March 1, 2019 (not paid – amended below)
  - \$600,000 on March 1, 2020 (amended below).

During the year ended March 31, 2020, 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 with a value of \$126,000 to settle payments originally due on or before June 1, 2019; all other provisions of the Orion Agreement shall remain unchanged. Discussed above under Orion Property disclosure.
- Fairweather Property: 200,000 shares were issued with a value of \$144,000 to settle payments originally due on or before December 15, 2018; all other provisions of the Fairweather Agreement shall remain unchanged. Furthermore, \$70,000 originally due on or before December 15, 2019 had been settled with 105,422 shares issued on June 15, 2020 with a value of \$157,079; and 50,000 shares originally due on or before December 15, 2019 had been issued on June 1, 2020.
- Delta Property: 200,000 shares were issued with a value of \$144,000 to settle payment originally due on March 1, 2019. Furthermore, the remaining \$600,000 was amended as follows:
  - \$100,000 to be paid on or before March 1, 2020; settled with 150,602 shares issued on June 15, 2020 with a value of \$224,397
  - \$200,000 to be paid on or before March 1, 2021
  - \$300,000 to be paid on or before March 1, 2022
- High North Property: 200,000 shares were issued with a value of \$144,000 to settle payment originally due on March 1, 2019. Furthermore, the remaining \$600,000 was amended as follows:
  - \$100,000 to be paid on or before March 1, 2020; settled with 150,602 shares issued on June 15, 2020 with a value of \$224,397
  - \$200,000 to be paid on or before March 1, 2021
  - \$300,000 to be paid on or before March 1, 2022

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**5. EXPLORATION AND EVALUATION ASSETS (continued)**Reclamation Bonds

During the six months ended September 30, 2020, the Company paid \$81,000 to the Minister of Finance relating to Treaty Creek reclamation program. This payment makes a total of \$226,600 posted with the ministry. Furthermore, these bonds are recoverable, subject to the Company meeting the B.C. Ministry of Energy and Mines reclamation requirements.

Exploration Advances

As at September 30, 2020, the Company had \$355,262(March 31, 2020 - \$432,254) of exploration advances for future work on the properties.

**6. 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 5).

	September 30, 2020		March 31, 2020	
	Cost	Fair Value	Cost	Fair Value
<b>American Creek:</b>				
3,125,000 common shares	\$ 250,000	\$ 906,250	\$ 250,000	\$ 140,625
	\$ 250,000	\$ 906,250	\$ 250,000	\$ 140,625

During the period ended September 30, 2020, the Company recognized a gain of \$765,625 as a fair value adjustment to the investment. This amount has been recorded under accumulated other comprehensive income.

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**7. PROPERTY AND EQUIPMENT**

	<b>Building</b>	<b>Land</b>	<b>Equipment</b>	<b>Vehicle</b>	<b>Website</b>	<b>Total</b>
<b>COSTS</b>						
Balance, March 31, 2019	\$ 38,750	\$ 33,750	\$ 112,071	\$ 14,000	\$ 59,965	\$ 258,536
Additions (Dispositions)	-	-	26,916	-	1,012	27,928
Balance, March 31, 2020	38,750	33,750	138,987	14,000	60,977	286,464
Additions (Dispositions)	-	-	-	-	-	-
<b>Balance, September 30, 2020</b>	<b>\$ 38,750</b>	<b>\$ 33,750</b>	<b>\$ 138,987</b>	<b>\$ 14,000</b>	<b>\$ 60,977</b>	<b>\$ 286,464</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance, March 31, 2019	\$ 4,812	\$ -	\$ 36,629	\$ 3,828	\$ 18,878	\$ 64,147
Depreciation	1,938	-	31,614	1,750	15,118	50,420
Balance, March 31, 2020	6,750	-	68,243	5,578	33,996	114,567
Depreciation	967	-	17,376	875	7,622	26,840
<b>Balance, September 30, 2020</b>	<b>\$ 7,717</b>	<b>\$ -</b>	<b>\$ 85,619</b>	<b>\$ 6,453</b>	<b>\$ 41,618</b>	<b>\$ 141,407</b>
<b>NET BOOK VALUE</b>						
March 31, 2020	\$ 32,000	\$ 33,750	\$ 70,744	\$ 8,422	\$ 26,981	\$ 171,897
<b>September 30, 2020</b>	<b>\$ 31,033</b>	<b>\$ 33,750</b>	<b>\$ 53,368</b>	<b>\$ 7,547</b>	<b>\$ 19,359</b>	<b>\$ 145,057</b>

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

Unlimited common shares, without par value.

Unlimited preferred shares issuable in series.

**Share issuances***During the year ended March 31, 2020, the Company:*

- a) Issued 3,214,285 common shares of the Company at a value of \$1,125,000 resulting in a loss on settlement of \$225,000 in consideration for the settlement of a total of \$900,000 in accrued liabilities to certain creditors.

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**8. SHAREHOLDERS' EQUITY (continued)****Share issuances (continued)**

- b) 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 11) 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. The fair value of the finders' warrants was estimated to be \$39,134 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.
- c) Issued 79,365 common shares with a value of \$25,000 for consulting services provided.
- d) Closed 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.
- e) Issued 1,075,000 shares with a value of \$774,000 pursuant to mineral property option agreement amendments (Note 5).
- f) Closed a non-brokered private placement consisting of 6,000,000 flow-through common shares at a price of \$0.50 per share for gross proceeds of \$3,000,000 (Note 11). In connection with the private placement, the Company paid certain finders a total cash finder's fee of \$190,000 and issued an aggregate of 240,000 non-transferrable finders' warrants. Each finders' warrant entitles the holder to acquire one common share at a price of \$0.50 per share for expiring December 5, 2021. The fair value of the finders' warrants was estimated to be \$51,513 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 53.45%; risk-free rate of 1.68%; and expected dividends of Nil.
- g) Closed a non-brokered private placement consisting of 4,185,714 flow-through common shares at a price of \$0.70 per share for gross proceeds of \$2,930,000 (Note 11). In connection with the private placement, the Company paid certain finders a total cash finder's fee of \$29,300.

During the year ended March 31, 2020, the Company issued 1,000,000 shares pursuant to the exercise of stock options at exercise prices ranging from \$0.10 to \$0.40 per share for gross proceeds of \$130,000. The Company reallocated the fair value of these stock options previously recorded in the amount of \$103,421 from equity reserves to share capital.

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**8. SHAREHOLDERS' EQUITY (continued)****Share issuances (continued)**

During the year ended March 31, 2020, the Company issued 8,440,731 shares pursuant to the exercise of warrants at exercise prices ranging from \$0.40 to \$0.65 per share for gross proceeds of \$3,503,605. The Company reallocated the fair value of these warrants previously recorded in the amount of \$224,906 from equity reserves to share capital.

*During the period ended September 30, 2020, the Company:*

- a) Issued 100,000 shares with a value of \$92,000 relating to Orion and Fairweather property, pursuant to mineral property option agreement amendments (Note 5).
- b) Issued 1,400,000 shares with a value of \$2,086,000 relating to Electrum property, pursuant to mineral property option agreement (Note 5).
- c) Issued 481,927 shares with a value of \$718,071 relating to Orion, Fairweather, Delta, and High North property, pursuant to mineral property option agreement amendments (Note 5).

During the period ended September 30, 2020, the Company issued 950,000 shares pursuant to the exercise of stock options at exercise prices ranging from \$0.30 to \$0.67 per share for gross proceeds of \$419,000. The Company reallocated previously recorded fair value in the amount of \$322,778 from equity reserves to share capital.

During the period ended September 30, 2020, the Company issued 12,819,773 shares pursuant to the exercise of warrants at exercise prices ranging from \$0.32 to \$1.00 per share for gross proceeds of \$7,362,212. The Company reallocated previously recorded fair value in the amount of \$486,753 from equity reserves to share capital. The Company received share subscriptions of \$1,000 for the exercise of warrants of which the shares were issued subsequent to September 30, 2020.

**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.

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**8. SHAREHOLDERS' EQUITY (continued)****Stock options (continued)**

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 \$54,225 was recognized during the year ended March 31, 2020. During the period ended September 30, 2020, these options were granted accelerated vesting and all became immediately exercisable.

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 \$68,775 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 \$39,864 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 \$36,465 was recognized during the year ended March 31, 2020.

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 \$324,010 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.

On January 10, 2020, the Company granted 4,500,000 stock options at an exercise price of \$0.66 expiring on January 10, 2025. The fair value of the stock options was estimated to be \$2,199,081 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 90.66%; risk-free rate of 1.60%; and expected dividends of Nil.

On March 12, 2020, the Company granted 100,000 stock options at an exercise price of \$0.50 expiring on March 12, 2025. The fair value of the stock options was estimated to be \$20,394 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 86.89%; risk-free rate of 0.49%; and expected dividends of Nil.

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**8. SHAREHOLDERS' EQUITY (continued)****Stock options (continued)**

On June 15, 2020, the Company granted 350,000 stock options at an exercise price of \$1.14 expiring on June 15, 2025. The fair value of the stock options was estimated to be \$302,716 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 93.36%; risk-free rate of 0.36%; and expected dividends of Nil.

On August 21, 2020, the Company granted 2,000,000 stock options at an exercise price of \$2.82 expiring on August 21, 2024. The fair value of the stock options was estimated to be \$3,700,900 using the Black-Scholes option pricing model with the following assumptions: term of 4 years; expected volatility of 94.26%; risk-free rate of 0.30%; and expected dividends of Nil.

Changes in stock options for the six months ended September 30, 2020 and the year ended March 31, 2020 are as follows:

	September 30, 2020		March 31, 2020	
	Number of stock options	Exercise price	Number of stock options	Exercise price
Outstanding, beginning	14,200,000	\$ 0.47	9,750,000	\$ 0.34
Granted	2,350,000	\$ 2.57	5,750,000	\$ 0.64
Exercised	(950,000)	\$ 0.44	(1,000,000)	\$ 0.13
Expired/Cancelled	-	\$ -	(300,000)	\$ 0.30
Outstanding, ending	15,600,000	\$ 0.79	14,200,000	\$ 0.47
Exercisable, ending	15,600,000	\$ 0.79	9,387,500	\$ 0.39

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**8. SHAREHOLDERS' EQUITY (continued)****Stock options (continued)**

Stock options outstanding as at September 30, 2020 are as follows:

<b>Grant Date</b>	<b>Number of stock options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
April 19, 2016	1,150,000	\$0.10	April 19, 2026 <sup>(1)</sup>
October 2, 2017	600,000	\$1.00	March 15, 2022
March 15, 2018	1,200,000	\$0.55	March 15, 2022
March 12, 2020	100,000	\$0.50	March 12, 2023
March 20, 2019	5,050,000	\$0.30	March 20, 2024 <sup>(2)</sup>
June 18, 2019	150,000	\$0.38	June 18, 2024
August 2, 2019	500,000	\$0.67	August 2, 2024
August 21, 2020	2,000,000	\$2.82	August 21, 2024
January 10, 2020	4,500,000	\$0.66	January 10, 2025 <sup>(3)</sup>
June 15, 2020	350,000	\$1.14	June 15, 2025
	<b>15,600,000</b>		

(1) 50,000 exercised subsequent to September 30, 2020

(2) 100,000 exercised subsequent to September 30, 2020

(3) 200,000 exercised subsequent to September 30, 2020

**Warrants**

Changes in share purchase warrants for the six months ended September 30, 2020 and the year ended March 31, 2020 are as follows:

	<b>September 30, 2020</b>		<b>March 31, 2020</b>	
	<b>Number of warrants</b>	<b>Exercise price</b>	<b>Number of warrants</b>	<b>Exercise price</b>
Outstanding, beginning	14,346,648	\$ 0.59	22,070,264	\$ 0.48
Issued	-	\$ -	8,282,117	\$ 0.52
Exercised	(12,819,773)	\$ 0.57	(8,440,731)	\$ 0.42
Expired	(10,000)	\$ 1.00	(7,565,002)	\$ 0.41
<b>Outstanding, ending</b>	<b>1,516,875</b>	<b>\$ 0.67</b>	<b>14,346,648</b>	<b>\$ 0.59</b>

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**8. SHAREHOLDERS' EQUITY (continued)****Warrants (continued)**

Share purchase warrants outstanding as at September 30, 2020 are as follows:

<b>Issue Date</b>	<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
April 16, 2018	1,071,875	\$0.65	April 16, 2021 <sup>(1)</sup>
October 30, 2017	205,000	\$1.00	October 30, 2020 <sup>(2)</sup>
December 5, 2019	240,000	\$0.50	December 5, 2021 <sup>(3)</sup>
	1,516,875		

(1) 410,000 exercised subsequent to September 30, 2020

(2) all exercised subsequent to September 30, 2020

(3) 2,000 exercised subsequent to September 30, 2020

**9. RELATED PARTY TRANSACTIONS**

As at September 30, 2020, a total of \$2,025,015 (March 31, 2020 - \$76,110) 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, 2020, the Company paid salaries and wages of \$Nil (2019 - \$98,000) to Aris Morfopoulos, the former Chief Financial Officer of the Company.

The Company paid and/or accrued management, accounting and administrative services, which have been recorded as professional fees, of \$80,480 (2019 - \$Nil) to Cross Davis and Company LLP, a firm of which the Chief Financial Officer, Scott Davis is a partner.

The Company paid and/or accrued consulting fees of \$117,200 (2019 - \$81,200) 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 \$87,143 (2019 - \$46,117) 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 \$6,896,669 (2019 - \$2,058,467) 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 and field cost expenditures.

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**9. RELATED PARTY TRANSACTIONS (continued)**

During the six months ended September 30, 2020, the Company accrued salaries and wages of \$60,000 (2019 - \$60,000) to Walter Storm, the Chief Executive Officer of the Company.

During the six months ended September 30, 2020, the Company paid and/or accrued management fees of \$40,000 (2019 - \$24,000) to Tudor Holdings, a company controlled by an officer and director of the Company.

During the six months ended September 30, 2020, the Company recognized share-based compensation expense of \$4,368,935 (2019 - \$Nil) for options granted to various officers and directors of the Company.

**10. LEASE OBLIGATIONS**

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, 2020, \$13,600 (March 31, 2020 - \$20,137) of the lease obligation is due within one year and \$Nil (March 31, 2020 - \$3,432) is due to be repaid over the remaining term of the lease. During the six months ended September 30, 2020, the Company recorded a total accretion expense of \$335 (2019 - \$806) related to this lease obligation.

**11. FLOW-THROUGH SHARE PREMIUM LIABILITY**

The following is a continuity schedule of the Company's flow-through share premium liability.

	Issued on June 6, 2019	Issued on December 5, 2019	Issued on December 27, 2019	Total
<b>Balance, April 1, 2019</b>	\$ -	\$ -	\$ -	\$ -
Liabilities incurred on flow-through shares	112,500	120,000	83,714	316,214
Settlement of flow-through share liability on incurr	(112,500)	(107,175)	-	(219,675)
<b>Balance, March 31, 2020</b>	\$ -	\$ 12,825	\$ 83,714	\$ 96,539
Settlement of flow-through share liability	-	(12,825)	(83,714)	(96,539)
<b>Balance, September 30, 2020</b>	\$ -	\$ -	\$ -	\$ -

On June 6, 2019, the Company raised \$1,800,000 through the issuance of 5,625,000 flow-through common shares at a price of \$0.32 per share. A flow-through liability of \$112,500 was recognized on the issuance date. As of September 30, 2020, the Company has satisfied all its flow-through obligations arising from this financing.

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#### **11. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)**

On December 5, 2019, the Company raised \$3,000,000 through the issuance of 6,000,000 flow-through common shares at a price of \$0.50 per share. A flow-through liability of \$120,000 was recognized on the issuance date. As of September 30, 2020, the Company has satisfied all its flow-through obligations arising from this financing.

On December 30, 2019, the Company raised \$2,930,000 through the issuance of 4,185,714 flow-through common shares at a price of \$0.70 per share. A flow-through liability of \$83,714 was recognized on the issuance date. As of September 30, 2020, the Company has satisfied all its flow-through obligations arising from this financing.

On July 7, 2020, the Company raised \$9,313,780 through the issuance of 6,652,700 flow-through common shares at a price of \$1.40 per share. \$Nil flow-through liability was recognized on the issuance date. As of September 30, 2020, the Company has satisfied all its flow-through obligations arising from this financing.

#### **12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 2020, the Company's financial instruments are comprised of cash, amounts receivable, investment, reclamation deposits, accounts payable and accrued liabilities and lease obligations. 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, 2020, the fair value of cash and investments (Note 6) held by the Company was based on level 1 of the fair value hierarchy. The fair value of the Company's lease obligations 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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## **12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

### **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, 2020, the Company had cash of \$8,966,869 to settle current liabilities of \$4,068,723. 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.

## **13. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2020, the Company's shareholders' equity was \$52,136,129. 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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**13. CAPITAL MANAGEMENT (continued)**

The Company's current capital was received from the issuance of common shares. 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 six months ended September 30, 2020.

**14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

**During the six months ended September 30, 2020**

The Company issued 581,927 common shares pursuant to 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 valued at \$810,071 (Note 5).

The Company issued 1,400,000 common shares pursuant to an agreement with American Creek relating to the Electrum property valued at \$2,086,000 (Note 5).

The Company included \$3,618,245 in exploration and evaluation assets which relates to accounts payable and accrued liabilities.

**During the six months ended September 30, 2019**

The Company issued a total of 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.

The Company issued 1,375,000 common shares pursuant to 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 valued (Note 5).