

Goldstrike Resources Ltd.
Condensed Interim Consolidated Financial Statements
Nine months ended September 30, 2020

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE TO READER

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 consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with the standards established by CPA Canada for a review of consolidated interim financial statements by an entity's auditor.

Goldstrike Resources Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	September 30, 2020	December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,880,850	\$ 2,245,407
Accounts receivable	3	15,921	18,288
Prepaid expenses and deposits	4	36,032	27,324
		1,932,803	2,291,019
Non-current assets			
Restricted cash	14	318,300	318,300
Deposit	4	18,329	18,329
Marketable securities	8	352,688	383,333
Equipment		3,392	5,151
Exploration and evaluation assets	7	9,673,330	9,572,178
Petroleum and natural gas assets	9	88,006	94,950
Right of use asset	5	14,963	59,850
TOTAL ASSETS		\$ 12,401,811	\$ 12,743,110
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	\$ 109,988	\$ 71,299
Lease liabilities	6	16,245	63,080
		126,233	134,379
Non-Current Liabilities			
Decommissioning liability	13	792,844	300,963
TOTAL LIABILITIES		919,077	435,342
EQUITY			
Share capital	11	48,537,360	48,537,360
Share-based payment reserves	11	18,684,656	18,370,581
Equity reserve		1,195,608	1,195,608
Deficit		(56,934,890)	(55,795,781)
TOTAL EQUITY		11,482,734	12,307,768
TOTAL LIABILITIES AND EQUITY		\$ 12,401,811	\$ 12,743,110

Approved on Behalf of the Board on **November 26, 2020**

“Lucy Zhang” _____

Director

“Daithi Mac Gearailt” _____

Director

Goldstrike Resources Ltd.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

		Three month ended September 30,		Nine month ended September 30,	
	Note	2020	2019	2020	2019
Expenses					
Listing and filing fees		\$ 2,605	\$ 3,125	\$ 22,163	\$ 17,533
Management consulting	12	29,050	7,500	76,050	25,850
Corporate development and communication	12	6,399	14,165	38,168	46,870
Investor relations		-	750	-	2,250
Office and miscellaneous		17,732	12,528	83,483	54,677
Professional fees		40,064	23,331	77,615	77,551
Rent		12,184	2,317	35,631	15,811
Accretion		-	780	-	2,340
Stock-based compensation		314,075	-	314,075	-
		(422,109)	(64,496)	(647,185)	(242,882)
Other items					
Interest income		(3,348)	(9,361)	(23,018)	(33,805)
Interest expense		429	(2,554)	2,223	(16,156)
Rental income		(21,480)	-	(63,472)	-
Royalty income		(4,794)	-	(11,808)	-
Amortization		15,440	750	46,646	2,208
Foreign Exchange		29	73	1,055	94
Impairment of petroleum and natural gas assets	9	30,985	-	559,039	-
Gain on investments in marketable securities	8	(9,512)	-	(9,512)	-
Fair value adjustment on investment		-	21,332	-	83,027
		(7,749)	(10,240)	(501,153)	(35,368)
Net loss		\$ (429,858)	\$ (74,736)	\$ (1,148,338)	\$ (278,250)
Other comprehensive loss					
Unrealized gain on investments in marketable securities	8	117,562	-	9,229	-
Comprehensive loss for the period		\$ (312,296)	\$ (74,736)	\$ (1,139,109)	\$ (278,250)
Loss per share, basic and diluted		\$ (0.03)	\$ (0.01)	\$ (0.12)	\$ (0.03)
Weighted average number of common shares outstanding, basic and diluted		9,517,150	9,517,186	9,517,150	9,517,186

Goldstrike Resources Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Equity Reserve	Share-based Payment Reserve	Accumulated Other comprehensive loss	Deficit	Total
	Number of shares	Amount					
Balance at January 1, 2020	9,517,150	\$ 48,537,360	\$ 1,195,608	\$ 18,370,581	\$ (20,833)	\$ (55,774,948)	\$ 12,307,768
Stock-based compensation	-	-	-	314,075	-	-	314,075
Comprehensive loss for the period	-	-	-	-	9,229	(1,148,338)	(1,139,109)
Balance at September 30, 2020	9,517,150	\$ 48,537,360	\$ 1,195,608	\$ 18,684,656	\$ (11,604)	\$ (56,923,286)	\$ 11,482,734

	Share capital		Equity Reserve	Share-based Payment Reserve	Accumulated Other comprehensive loss	Deficit	Total
	Number of shares	Amount					
Balance at January 1, 2019	9,517,150	\$ 48,537,360	\$ 1,195,608	\$ 18,370,581	\$ -	\$ (53,110,626)	\$ 14,992,923
Comprehensive loss for the period	-	-	-	-	-	(278,250)	(278,250)
Balance at September 30, 2019	9,517,150	\$ 48,537,360	\$ 1,195,608	\$ 18,370,581	\$ -	\$ (53,388,876)	\$ 14,714,673

Goldstrike Resources Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Operating activities				
Net Income (loss) for the period	\$ (429,858)	\$ (74,736)	\$ (1,148,338)	\$ (278,250)
Adjustments for non-cash items:				
Amortization	15,439	750	46,645	2,208
Accretion	-	780	-	2,340
Stock-based compensation	314,075	-	314,075	-
Impairment of petroleum and natural gas assets	30,985	-	559,039	-
Interest expense	429	-	2,223	-
Fair value adjustment on investment	-	21,332	-	83,027
Gain on sale of marketable securities	(9,512)	-	(9,512)	-
Changes in non-cash working capital:				
Receivable	23,530	(66,799)	2,367	6,647
Prepaid expenses and deposits	(22,454)	(20,795)	(8,708)	11,231
Trade payables and accrued liabilities	(810)	6,680	9,711	(48,453)
Net cash flows used in operating activities	(78,176)	(132,787)	(232,498)	(221,250)
Investing activities				
Purchase of equipment	-	-	-	(2,071)
Exploration and evaluation assets	(89,882)	(16,331)	(97,494)	(78,845)
Petroleum and natural gas assets	(3,409)	(37,369)	(29,688)	(87,485)
Reclamation costs	(3,456)	(3,832)	(5,206)	(3,832)
Net proceeds on sale of marketable securities	49,387	-	49,387	-
Net cash flows used in investing activities	(47,360)	(57,532)	(83,001)	(172,233)
Financing activities				
Lease payment	(16,353)	-	(49,058)	-
Net cash flows from financing activities	(16,353)	-	(49,058)	-
Increase (decrease) in cash and cash equivalents	(141,889)	(190,319)	(364,557)	(393,483)
Cash and cash equivalents, beginning	2,022,739	2,787,807	2,245,407	2,990,971
Cash and cash equivalents, ending	\$ 1,880,850	\$ 2,597,488	\$ 1,880,850	\$ 2,597,488
Cash and cash equivalents consist of:				
Cash	\$ 106,227	\$ 19,462	\$ 106,227	\$ 19,462
GIC (includes restricted cash)	1,774,623	2,578,026	1,774,623	2,578,026
	\$ 1,880,850	\$ 2,787,807	\$ 1,880,850	\$ 2,787,807

1. Nature of operations

Goldstrike Resources Ltd. (the “Company”) was incorporated under the laws of the province of British Columbia, Canada. The Company trades on the TSV Venture Exchange (the “TSX-V”) under the symbol “GSR.V”, and the Frankfurt Stock Exchange under the symbol “KCG”. The registered office of the Company is located at Suite 1500, 1040 West Georgia Street, Vancouver, B.C. The head office of the Company is located at Suite 1010, 1130 West Pender Street, Vancouver, B.C.

The Company is a mineral exploration company focusing on acquiring and developing exploration and evaluation assets.

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has no current source of revenues from operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand and the private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may materially less than the amounts on its statement of financial position.

2. Significant accounting policies and basis of preparation

The condensed interim consolidated financial statements were authorized for issuance on **November 26, 2020** by the directors of the Company.

Statement of compliance with IFRS

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The notes presented in these condensed consolidated interim financial statements include only significant events and transactions occurring since the Company’s last fiscal year end and they do not include all of the information required in the Company’s most recent annual consolidated financial statements. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2019, which were prepared in accordance with IFRS as issued by IASB. There have been no changes in judgment or estimates from those disclosed in the consolidated financial statements for the year ended December 31, 2019.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control and continues to be consolidated until the date such control ceases. Details of the controlled entity are as follows:

Entity:	Country of incorporation:	Ownership interest	
		September 30, 2020	December 31, 2018
Petro One Energy Corp.	Canada	100%	100%

Inter-company balances and transactions have been eliminated upon consolidation.

2. Significant accounting policies and basis of preparation (continued)

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires management to make certain estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and petroleum and natural gas assets, the measurements for financial instruments and share-based payments, the recoverability of deferred tax assets and the measurement of decommissioning liabilities.

The recent outbreak of the coronavirus, also known as "COVID-19," has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The Company continues to closely monitor developments in the coronavirus outbreak, including the potential impact on the Company's activities and its liquidity.

3. Accounts receivable

	September 30, 2020	December 31, 2019
GST receivable	\$ 7,255	\$ 4,716
Royalty income receivable	3,579	4,740
Other receivables	5,087	8,832
	\$ 15,921	\$ 18,288

4. Prepaid expenses and deposits

	September 30, 2020	December 31, 2019
Current prepaid expenses	\$ 36,032	\$ 27,324
Non-current deposits	18,329	18,329
	\$ 54,361	\$ 45,653

5. Right of use lease asset

The Company's right-of-use asset relates to the lease of office space.

On adoption of IFRS 16, the Company recognized lease liabilities which has previously been classified as "operating leases" under IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments and discounted using the lessee's estimated borrowing rate as of January 1, 2019. The estimated borrowing rate applied to the lease liabilities on January 1, 2019 was 8%.

Cost:	
Balance at January 1, 2019, on adoption of IFRS 16	\$ 119,701
Accumulated amortization:	
Balance at January 1, 2019, on adoption of IFRS 16	-
Depreciation for the period	59,851
Balance, December 31, 2019	59,851
Depreciation for the period	44,887
Balance, September 30, 2020	104,738
Net book value:	
As at January 1, 2019, on adoption of IFRS 16	\$ 119,701
As of December 31, 2019	\$ 59,850
As of September 30, 2020	\$ 14,963

6. Lease liability

On January 1, 2018, the Company signed a lease agreement for its Vancouver office premise for three years expiring December 31, 2020.

Balance at January 1, 2019, on adoption of IFRS 16	\$ 119,701
Interest expense	7,105
Lease payments	(63,726)
Balance, December 31, 2019	\$ 63,080
Interest expense	2,223
Lease payments	(49,058)
Balance, September 30, 2020	\$ 16,245

Goldstrike Resources Ltd.
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(Expressed in Canadian dollars - Unaudited)
Nine months ended September 30, 2020 and 2019

7. Exploration and evaluation assets

A continuity of the Company's exploration and evaluation assets as of September 30, 2020 is as follows:

	Balance at December 31, 2019	Exploration							Subtotal	Balance at September 30, 2020	
		Acquisition	Assay	Exploration Management	Logistics	Field Equipment	Travel & Accommodation	Geological & Geophysical Consulting			
Mineral Property Interests											
Cando2	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Plateau	9,572,175	-	-	17,600	852	(35,650)	-	28,058	10,860	9,583,035	
St. Patrick	1	-	-	-	-	-	-	-	-	1	
Strike Claims	1	-	-	-	-	-	-	-	-	1	
McMurdo	-	-	-	-	7,122	-	1,856	2,588	11,566	11,566	
Skelly- SK	-	2,264	4,652	800	6,611	1,047	4,811	7,619	27,804	27,804	
Willy Jack – WJ	-	8,895	-	1,600	23,269	2,691	897	13,570	50,922	50,922	
Total:	\$ 9,572,178	\$ 11,159	\$ 4,652	\$ 20,000	\$ 37,854	\$ (31,912)	\$ 7,564	\$ 51,835	\$ 101,152	\$ 9,673,330	

A continuity of the Company's exploration and evaluation assets as of December 31, 2019 is as follows:

	Balance at December 31, 2018	Exploration							Subtotal	Balance at December 31, 2019
		Assay	Exploration Management	Logistics	Field Equipment	Travel & Accommodation	Geological & Geophysical Consulting			
Mineral Property Interests										
Cando2	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Plateau	9,469,995	32	93,340	700	(5,810)	1,030	12,888	102,180	9,572,175	
St. Patrick	1	-	-	-	-	-	-	-	-	1
Strike Claims	1	-	-	-	-	-	-	-	-	1
Total:	\$ 9,469,998	\$ 32	\$ 93,340	\$ 700	\$ (5,810)	\$ 1,030	\$ 12,888	\$ 102,180	\$ 9,572,178	

7. Exploration and evaluation assets (Continued)

Plateau Property

The Company has a 100% interest in the Plateau Property which is subject to a 3% Net Smelter Royalty ("NSR") royalty which may be reduced by 1% for a payment of \$1,500,000.

During the year ended December 31, 2017, the Company entered into an investment agreement and an earning and venture agreement with Newmont Canada FN Holdings ULC ("Newmont"), whereby Newmont agreed to acquire 12,705,715 pre-consolidation units of the Company for gross proceeds of USD\$4,500,000 (\$6,025,050) (the "Investment") and the Company granted the options to Newmont to earn the participating interest in the Plateau Property up to 80% ("Earn-In Transaction").

During the year ended December 31, 2018, the Company received an option payment of USD \$1,000,000 (\$1,349,200) from Newmont pursuant to the earning and venture agreement.

On January 23, 2019, Newmont provided notice to the Company that it was terminating its rights with respect to the Earn-In Transaction.

The claims remain in good standing to at least 2030.

Cando2 Property

The Company has a 100% interest in the Cando2 Property which is subject to a 3% NSR. During the year ended December 31, 2018, the Company assessed that the carrying value of the property was impaired to \$1.

Strike Claims Property

The Company has a 100% interest in the Strike Claims Property. During the year ended December 31, 2018, the Company assessed that the carrying value of the property was impaired to \$1.

St. Patrick Property

The Company has a 100% interest in the St. Patrick Property. During the year ended December 31, 2018, the Company assessed that the carrying value of the property was impaired to \$1.

McMurdo

In the third quarter 2020, the Company staked the McMurdo property in the province of British Columbia and owns 100% interest in the property. The carrying value of the property is \$11,566.

Skelly

In the third quarter 2020, the Company staked the Skelly property in the province of British Columbia and owns 100% interest in the property. The carrying value of the property is \$27,804.

Willy Jack

In the third quarter 2020, the Company staked the Willy Jack property in the province of British Columbia and owns 100% interest in the property. The carrying value of the property is \$50,922.

Goldstrike Resources Ltd.
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8. Investment in Golden Sky Minerals Corp. ("Golden Sky")

The Company holds a total of 712,500 Golden Sky common shares which is representing 7.61% (December 31, 2019 – 833,333 and 8.90%) of the issued and outstanding Golden Sky Shares. The Company's interest in Golden Sky shares was accounted for using the equity method until December 18, 2019.

During the nine months ended September 30, 2020, the Company sold 120,833 Golden Sky commons shares for net proceeds of \$49,387. A gain of \$9,512 was recorded in the consolidated statement of comprehensive loss.

Marketable securities are measured at fair value by reference to quoted stock prices. During the nine months ended September 30, 2020, the Company recorded an unrealized gain of \$9,229.

	Fair value
Fair value on initial recognition as a financial instrument under IFRS 9	\$ 404,166
Unrealized loss	(20,833)
Carrying value at December 31, 2019	\$ 383,333
Fair value on marketable securities sold	(39,874)
Unrealized gain	9,229
Carrying value at September 30, 2020	\$ 352,688

The Company also holds 833,333 share purchase warrants in Golden Sky. Each Golden Sky warrant entitles the Company to purchase one additional share of Golden Sky at a price of \$6.00 per share for a period of 36 months from August 10, 2018, subject to acceleration. The fair value recorded for the warrants at September 30, 2020 was determined to be nominal.

9. Petroleum and natural gas assets

	Well Equipment	Decommissioning	Exploration and Evaluation	Total
Balance at December 31, 2018	\$ 105,071	\$ -	\$ 652,821	\$ 757,892
Additions	-	-	166,314	166,314
Incidental revenue	-	-	(64,355)	(64,355)
Amortization	(10,121)	-	10,121	-
Impairment	-	-	(764,901)	(764,901)
Balance at December 31, 2019	\$ 94,950	\$ -	\$ -	\$ 94,950
Additions	-	497,087	55,008	552,095
Amortization	(6,944)	-	6,944	-
Impairment	-	(497,087)	(61,952)	(559,039)
Balance at September 30, 2020	\$ 88,006	\$ -	\$ -	\$ 88,006

The Company's petroleum and natural gas assets consist of oil and gas wells located in Saskatchewan and Manitoba. During the year ended December 31, 2019, the Company determined that it was unlikely to recover its investment in the exploration and evaluation assets and therefore wrote-down the carrying value to \$nil. In April 2020, the Company received additional quotes to fully reclaim the remaining suspended oil wells. The increased potential costs resulted in the recognition of additional \$497,087 decommissioning assets and liability (Note 13). During the nine months ended September 30, 2020, the Company wrote-down the carrying value of decommissioning asset and the exploration and evaluation assets to \$nil.

10. Accounts payables and accrued liabilities

	September 30, 2020	December 31, 2019
Accounts Payable	\$ 12,558	\$ 9,523
Accrued Liabilities	22,972	31,280
Due to related parties (Note 12)	44,458	449
GST payable	-	47
Prepaid rent advance received	30,000	30,000
	\$ 109,988	\$ 71,299

11. Share capital

Authorized share capital

Unlimited number of common shares without par value.

All references to share and per share amounts in these condensed interim consolidated financial statements have been retroactively to reflect the Consolidation.

Issued share capital

No shares were issued during the nine months ended September 30, 2020 and 2019.

Stock option

The Company has adopted a stock option plan, which provides that the Board of Directors of the Company may, in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent of the issued and outstanding common shares.

As at September 30, 2020, the Company had the following options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
January 26, 2011	January 26, 2021	\$ 1.75	12,500	12,500
April 28, 2016	April 28, 2026	\$ 3.15	15,000	15,000
May 18, 2017	May 18, 2027	\$ 5.95	17,500	17,500
July 9, 2020	July 9, 2025	\$ 0.24	1,730,000	1,250,000
			1,775,000	1,295,000

11. Share capital (Continued)

Stock option (continued)

The following is a summary of the Company's stock option activities:

	September 30, 2020		December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	1,387,500	\$ 3.56	1,387,500	\$ 3.56
Options granted	1,730,000	0.24	-	-
Options cancelled	(1,342,500)	3.66	-	-
Options outstanding, end of period	1,775,000	\$ 0.32	1,387,500	\$ 3.56

On July 9, 2020, 1,730,000 stock options were granted to directors, officers board advisors and consultants of the Company. Options issued pursuant to this grant to directors and officers vested immediately; options issued to board advisors and consultants vest for a period of 18 months with 1/6 vesting each 3 months. All options have a term of 5 years and are exercisable at \$0.24 per share.

On January 31, 2020, 1,342,500 stock option previously issued to executives, officers and consultants were cancelled.

The fair value of stock options granted for the nine months ended September 30, 2020 were estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5 years, volatility of 154.16%, dividend yield of 0% and risk-free interest rate of 0.34%.

For the nine months ended September 30, 2020, the Company recognized share-based compensation of \$314,075 (2019 – \$nil).

As at September 30, 2020, 1,295,000 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 4.77 years and \$0.37 respectively.

Share purchase warrants

As at September 30, 2020, the Company had no outstanding warrants.

The following is a summary of the Company's warrant activities:

	September 30, 2020		December 31, 2019	
	Number of Common Shares Issuable	Weighted Average Exercise Price	Number of Common Shares Issuable	Weighted Average Exercise Price
Warrants outstanding, beginning	571,000	\$ 1.05	2,014,162	\$ 6.78
Warrants cancelled	-	-	(635,286)	15.00
Warrants expired	(571,000)	1.05	(807,876)	4.38
Warrants outstanding, ending	-	-	571,000	\$ 1.05

Share-based payment reserves

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

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12. Related party transactions

Key personnel compensation:

	September 30, 2020	September 30, 2019
Management and accounting fees incurred to a company controlled by the Chief Financial Officer of the Company	\$ 70,500	\$ 45,000
Management fees incurred to a company controlled by the President and Chief Executive Officer of the Company	\$ 18,000	\$ -
Management fees incurred to a company controlled by the retired Chief Executive Officer of the Company	\$ -	\$ 3,350
Corporate development and communication fees incurred to a company controlled by the President & Chief Executive Officer of the Company	\$ 44,750	\$ -
Corporate development and communication fees incurred to a company controlled by the retired Chief Operating Officer of the Company	\$ -	\$ 39,997
Exploration management fees incurred to a company controlled by the President and Chief Operating Officer and capitalized to exploration and evaluation assets	\$ 20,000	\$ -
Exploration management fees incurred to a company controlled by the retired Chief Operating Officer and capitalized to exploration and evaluation assets	\$ -	\$ 75,000
Directors' fees incurred to directors of the Company	\$ 9,000	\$ 9,000

As at September 30, 2020, \$44,458 (December 31, 2019 - \$449) was owing to related parties and has been included in accounts payables and accrued liabilities (Note 11). The amounts are unsecured, non-interest bearing and due on demand.

On July 9, 2020, 1,250,000 stock options were granted to directors and officers of the Company. All options have a term of 5 years and exercisable at \$0.24.

13. Decommissioning liabilities

Closing balance, December 31, 2018	\$	301,675
Accretion		3,120
Reclamation expenses		(3,832)
Closing balance, December 31, 2019	\$	300,963
Addition		497,087
Reclamation expenses		(5,206)
Closing balance, September 30, 2020	\$	792,844

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas interests including well sites, gathering systems and processing facilities. The total decommissioning liabilities were estimated by management based on the Company's net ownership interest in all wells, estimated costs to reclaim and abandon the wells and the estimated timing of the costs to be incurred in future periods. The Company has estimated the total amount of liabilities to be \$792,844 (December 31, 2019 - \$300,963) as at September 30, 2020. These payments are expected to be made in a few years.

14. Contingencies

As of September 30, 2020, the Company has two guaranteed letters of credit in the amount of \$173,070 (expiring and renewable in June 2021) and \$145,230 (expiring and renewable in January 2021) issued by Bank of Montreal for the Minister of Finance – the Saskatchewan Oil and Gas Orphan Fund.

15. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents. Cash and cash equivalents are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company's financial liabilities are due within a year.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not incur significant expenditures that are denominated in foreign currencies and does not have any mineral property commitments that are denominated in foreign currencies. Therefore, the Company's exposure to currency risk is considered minimal.

Interest rate risk

Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash and cash equivalents earn interest income at variable rates. The fair value of cash and cash equivalents are minimally affected by changes in short term interest rates.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2020	December 31, 2019
Financial asset at amortized cost:		
Cash and cash equivalents (including restricted cash)	\$ 2,199,150	\$ 2,563,707
Accounts receivable	8,666	13,572
Fair value through other comprehensive income:		
Marketable securities	352,688	383,333
	\$ 2,560,504	\$ 2,960,612

15. Financial risk management (Continued)

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2020	December 31, 2019
Financial liabilities at amortized cost:		
Accounts payables	\$ 42,558	\$ 39,570
Due to related parties	44,458	449
	\$ 87,016	\$ 40,019

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

16. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any external restrictions on its capital.