

## **NOTICE**

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors. The Company's independent auditors have not performed a review of these financial statements.



**Condensed Consolidated Interim Financial Statements**

**Three and nine months ended September 30, 2019 and 2018**

**(Expressed in Canadian Dollars)**

# BELL COPPER CORPORATION

## Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2019 and December 31, 2018

Expressed in Canadian Dollars

	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 19,862	\$ 75,002
GST receivable	8,615	2,402
	<b>28,477</b>	77,404
<b>Non-current assets</b>		
Reclamation bonds	23,837	24,556
Exploration and evaluation assets	4,198,736	4,198,736
<b>TOTAL ASSETS</b>	<b>\$ 4,251,050</b>	<b>\$ 4,300,696</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	1,032,872	987,707
Provision for contingent liabilities	1,906,672	1,971,269
<b>Total liabilities</b>	<b>2,939,544</b>	2,958,976
<b>Shareholders' equity</b>		
Share capital	65,669,451	65,584,326
Contributed surplus	957,956	957,956
Accumulated other comprehensive income	(51,914)	(51,914)
Deficit	(65,263,987)	(65,148,648)
<b>Total shareholders' equity</b>	<b>1,311,506</b>	1,341,720
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 4,251,050</b>	<b>\$ 4,300,696</b>

Nature of operations and going concern (Note 1)

Contingent liabilities (Note 10)

Commitments (Note 15)

Subsequent Events (Note 16)

The accompanying notes are an integral part of these consolidated financial statements

Approved on behalf of the directors on November 29, 2019

*"Timothy Marsh"*

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Director

*"Annie Storey"*

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Director

# BELL COPPER CORPORATION

## Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2019 and 2018

Expressed in Canadian Dollars

	Nine months ended September 30, 2019	Nine months ended September 30, 2018	Three months ended September 30, 2019	Three months ended September 30, 2018
<b>Expenses</b>				
Consulting and management fees	\$ 109,313	\$ 102,645	\$ 34,774	\$ 68,804
Finance costs	-	3,922	-	-
Foreign exchange loss	(75,858)	(102,109)	23,703	(10,824)
Insurance	10,884	18,500	10,884	18,500
Investor relations	30,214	65,598	9,999	37,948
Office and administrative services	186	234	44	234
Professional fees	24,075	25,894	(1,819)	25,894
Regulatory and filing fees	29,343	19,699	2,322	7,397
Share-based payments	-	302,788	-	-
Travel	3,093	-	3,093	-
<b>Net loss for the period</b>	<b>131,250</b>	<b>437,171</b>	<b>79,907</b>	<b>122,059</b>
<b>Other comprehensive income</b>				
Foreign currency translation	(15,911)	-	(12,818)	-
<b>Comprehensive loss for the period</b>	<b>\$ 115,339</b>	<b>\$ 437,171</b>	<b>\$ 67,089</b>	<b>\$ 122,059</b>
Basic and diluted loss per share	0.00	0.01	0.00	0.00
Weighted average number of common shares outstanding	70,888,529	66,305,857	71,079,420	67,371,262

The accompanying notes are an integral part of these consolidated financial statements

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## Condensed Consolidated Interim Statements of Cash Flows

For the three and nine months ended September 30, 2019 and 2018

Expressed in Canadian Dollars

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Cash provided by (used in):		
<b>Operating activities</b>		
Net loss for the period	\$ (115,339)	\$ (437,171)
Items not affecting cash:		
Foreign exchange	(63,878)	(138,597)
Finance cost	-	3,922
Share based payments	-	302,787
Changes in non-cash working capital items:		
Accounts payable	45,165	(55,893)
GST receivable	(6,213)	2,719
<b>Net cash (used in) provided by operating activities</b>	<b>(140,265)</b>	<b>(322,234)</b>
<b>Investing activities</b>		
Cash received from joint venture partner	-	169,900
Exploration and evaluation assets expenditures	-	(251,272)
<b>Net cash (used in) provided by investing activities</b>	<b>-</b>	<b>(81,372)</b>
<b>Financing activities</b>		
Proceeds of shares issued for cash	85,125	482,940
<b>Net cash (used in) provided by financing activities</b>	<b>85,125</b>	<b>482,940</b>
<b>Net decrease in cash</b>	<b>(55,140)</b>	<b>79,335</b>
<b>Cash, beginning of the period</b>	<b>75,002</b>	<b>211,803</b>
<b>Cash, end of the period</b>	<b>\$ 19,862</b>	<b>\$ 291,139</b>

Non-cash transactions (Note 16)

The accompanying notes are an integral part of these consolidated financial statements

# BELL COPPER CORPORATION

## Condensed Consolidated Interim Statements of Changes in Shareholder's Equity

For the three and nine months ended September 30, 2019 and 2018

Expressed in Canadian Dollars

	Common shares		Accumulated other comprehensive income	Contributed surplus	Deficit	Total shareholders' equity
	Shares	Amount				
Balance, December 31, 2017	64,579,228	\$ 65,084,510	\$ 86,392	\$ 563,501	\$ (64,534,026)	\$ 1,200,378
Common shares issued	5,671,155	482,940	-	-	-	482,940
Share based payments	-	-	-	302,788	-	302,788
Total comprehensive gain for the period	-	-	-	-	(437,171)	(437,171)
Balance, September 30, 2018	70,250,383	\$ 65,567,450	\$ 86,392	\$ 866,289	\$ (64,971,197)	\$ 1,548,935
Common shares issued	250,000	16,876	-	-	-	16,876
Share based payments	-	-	-	91,667	-	91,667
Foreign currency translation adjustment	-	-	(138,306)	-	-	(138,306)
Total comprehensive gain for the period	-	-	-	-	(177,451)	(177,451)
Balance, December 31, 2018	70,500,383	\$ 65,584,326	\$ (51,914)	\$ 957,956	\$ (65,148,648)	\$ 1,341,720
<b>Common shares issued</b>	<b>851,250</b>	<b>85,125</b>	-	-	-	<b>85,125</b>
<b>Total comprehensive gain for the period</b>	-	-	-	-	<b>(115,339)</b>	<b>(115,339)</b>
<b>Balance, September 30, 2019</b>	<b>71,351,633</b>	<b>\$ 65,669,451</b>	<b>\$ (51,914)</b>	<b>\$ 957,956</b>	<b>\$ (65,263,987)</b>	<b>\$ 1,311,506</b>

# **BELL COPPER CORPORATION**

## **Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars**

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### **1. Nature of operations and going concern**

Bell Copper Corporation (“the Company”) was incorporated in British Columbia and is a public company listed on the TSX Venture Exchange (“TSX-V”). The principal business activity of the Company is the exploration and evaluation of mineral property interests. The corporate head office of the Company is located at 14<sup>th</sup> Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H8.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether the properties contain mineral resources that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The ability of the Company to complete the acquisition, exploration and development of its properties will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and or other means.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing registration or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements. The Company's assets are subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at September 30, 2019, the Company had no source of operating cash flows and reported net loss for the period of \$131,250 (September 30, 2018 - \$427,171), a working capital deficit of \$2,911,067 (December 31, 2018 - \$2,881,572), and has an accumulated deficit of \$65,263,987 (December 31, 2018 – \$65,148,648). The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern. Management has estimated that the Company will require additional financing to meet its obligations for the next fiscal year. Continued operations are dependent on the Company's ability to complete equity financings, secure project debt financing, and / or generate profitable operations in the future. During the nine months ended September 30, 2019 and the year ended December 31, 2018, the Company raised funds under a private placement. The Company also wrote off accounts payable and obtained cash from the exercise of options. It is not possible to predict whether further financing efforts will be successful or if the Company will attain profitable levels of operations.

These condensed consolidated interim financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, and the reported comprehensive loss and classifications used on the statement of financial position. These adjustments could be material.

### **2. Basis of preparation**

#### **a) Statement of compliance**

These condensed consolidated interim financial statements are unaudited and are prepared in accordance with International Accounting Standard 34 (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and certain additional disclosures required under IFRS.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Rogue River Resources Corp. (“Rogue River”) and Bell Resources (Nevada) Corporation. All inter-company

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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transactions have been eliminated upon consolidation.

These condensed consolidated interim financial statements are stated in Canadian dollars and were prepared under the historical cost convention, except for share-based payment transactions.

### **b) Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of Bell Copper Corporation.

During the year ended December 31, 2017, the Company changed the functional currency of its wholly-owned subsidiaries from Canadian dollars to US dollars. In accordance with IAS 21, the change in functional currency has been accounted for prospectively. As such, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. All assets and liabilities are translated into the presentation currency using the exchange rate in effect on the reporting date, shareholders equity accounts are translated using the historical rates of exchange and revenue and expenses are translated at the average rate for the period.

### **c) Critical accounting estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key critical judgment and sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated interim financial statements are as follows:

#### *Critical judgment in applying accounting policies:*

##### Determination of functional currency

Based on the primary indicators in IAS 21 – The Effects of Changes in Foreign Exchange Rates, the Canadian dollar has been determined as the functional currency of the Company, because Canadian dollar is the currency of expenditures and financing activities. The functional currency of the Company's subsidiaries has been determined to the US dollar as the Company expends cash in this currency related to its exploration project in the United States. Significant management judgment was exercised, since the second primary indicator related to the currency influencing the sales price was not applicable and did not produce conclusive evidence. Effects of translation of accounts from the functional currency to the presentation currency in the condensed consolidated interim financial statements are reflected in comprehensive income as foreign currency translation on the statement of comprehensive loss.

##### Going concern

These condensed consolidated interim financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions which may cast significant doubt about the Company's ability to continue as a going concern. Refer to note 1 for more details.

#### *Key sources of estimation uncertainty:*

##### Impairment of exploration and evaluation assets

The Company makes certain estimates regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate the carrying value may be impaired, at which

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## Notes to the Condensed Consolidated Interim Financial Statements

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time an impairment loss is recorded. While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

### Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred during the period have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information, including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits.

### Estimation of decommissioning and restoration costs and the timing of expenditure

The Company recognizes the liability for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets, when those obligations result from the exploration or development of its properties. The Company assesses its provision for site reclamation at each reporting date. Significant estimates and assumptions are made in determining the provision for site reclamation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and discount rates. Those uncertainties may result in future actual expenditures differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of any future reclamation costs required. To date, the Company has not recognized any decommissioning liabilities.

### Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing deferred tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

### Share-based payments and warrants

The Company has an equity-settled share-based scheme for directors, officers, employees and consultants. Management determines values for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Similar calculations are made to value warrants. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and for stock based compensation, future employee stock option

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exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates.

### 3. Significant accounting policies

The significant accounting policies of the Company are as follows:

#### a) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned and controlled subsidiaries, Bell Resources (Nevada) Corporation and Rogue River Resources Corporation. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

#### b) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized in the consolidated statements of comprehensive loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated into Canadian dollars at period end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from the translation of foreign operations are recognized in other comprehensive income and accumulated in equity.

#### c) Cash and cash equivalents

Cash is comprised of cash on hand and deposits in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### d) Reclamation deposit

The Company maintains cash deposits, as required by regulatory bodies, as assurance for the funding of decommissioning costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled, and are therefore classified as long term assets.

#### e) Exploration and evaluation assets

General exploration and evaluation expenditures incurred prior to acquiring the legal right to explore are charged to the statement of comprehensive loss as incurred.

Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential mineral resources and include costs such as exploratory drilling, sample testing, activities in relation to evaluation of technical feasibility and commercial viability of extracting a mineral resource, surveying, geological and geotechnical expenditures, land maintenance, sampling and storage, mineral claims and permits, and general and administrative costs relating to the support of exploration and evaluation activities. If economically recoverable ore reserves are developed, capitalized costs of the exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production

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method. No amortization charge is recognized in respect of exploration and evaluation assets. When an exploration and evaluation asset is abandoned, all related costs are written off to profit or loss.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of these assets is dependent upon successful development or sale of the undeveloped project. All capitalized exploration and evaluation expenditures are assessed for impairment if facts and circumstances indicate that impairment may exist. If a project does not prove viable or is abandoned, all unrecoverable costs associated with the project, net of any impairment provisions are expensed in comprehensive loss.

### **f) Provisions**

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is included in comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these decommissioning activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in comprehensive loss as a finance cost. Additional disturbances or changes in decommissioning costs will be recognized as additions or charges to the corresponding assets and decommissioning liability when they occur. For closed sites, changes to estimated costs are recognized immediately in comprehensive loss.

The Company does not currently have any such significant legal or constructive obligations for reclamation or decommissioning and therefore no decommissioning provisions have been recorded. The Company has recorded provisions for other contingencies (note 9).

### **g) Impairment of non-financial assets**

Non-financial assets are evaluated at the end of each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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### **h) Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their trading value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from reserves.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

### **i) Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes option pricing model.

The fair value is estimated at grant date and each tranche is recognized on a graded-vesting basis over the period the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to option and warrant reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options that expire after vesting, the recorded value is transferred to deficit.

### **j) Loss per share**

Basic loss per share ("LPS") is calculated by dividing profit or loss attributable to ordinary equity holders (numerator) by the weighted average number of ordinary shares outstanding (denominator) during the period. The denominator is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back during the period, multiplied by a time-weighting factor.

Diluted loss per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options are considered anti-dilutive when the Company is in a loss position.

### **k) Income taxes**

Tax expense comprises current and deferred tax. Tax expense is recognized in income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax

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regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amount of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit or loss, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future, or on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### l) Segmented information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's President and CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company manages its business on the basis of one reportable segment under two geographic regions, being Canada and the United States ("USA").

### m) Financial instruments

The Company adopted IFRS 9 *Financial Instruments effective January 1, 2018*. Under IFRS 9, the Company recognizes all financial assets initially at fair value and classifies them into one of the following measurement categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortize costs, as appropriate. On adoption of IFRS 9, there was no accounting impact to the financial statements and there were no changes in the carrying value of any of the Company's financial assets.

Financial liabilities are initially recognized at fair value and classified as either FVTPL or amortized cost, as appropriate.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired.

The Company had made the following classification of its financial instruments:

<b>Financial Assets or Liabilities</b>	<b>Measurement Category</b>
Cash	FVTPL
Accounts Payable and Accrued Liabilities	Amortized Cost

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair value. The three levels of fair value hierarchy are:

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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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 or indirectly;

Level 3 – Inputs that are not based on observable market data.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issuance costs.

### n) Recent accounting standards

#### *Recently adopted accounting standards*

The IASB replaced IAS 18, Revenue, in its entirety with IFRS 15, Revenue from Contracts with Customers. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

#### *Future accounting standards*

The following new standard has been issued but is not yet effective:

In January 2016, the IASB issued IFRS 16 Leases, which will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

## 4. Capital management

The Company classifies its share capital as capital, which at September 30, 2019 totalled \$65,263,987 (December 31, 2018 - \$65,584,326). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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### 5. Financial instruments and financial risk management

#### a) Financial assets and liabilities by category

The Company has designated cash as fair value through profit or loss, measured at fair value. Changes in the fair values are recorded in comprehensive profit and loss. Accounts receivable and reclamation bonds are designated as loans and receivables, and are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities are designated as other financial liabilities and are measured initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Management did not identify any material embedded derivatives, which require separate recognition and measurement. The Company had no held-to-maturity financial instruments during the period.

#### b) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature or bear interest at market rates.

#### c) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities which are measured and recognized on the consolidated statement of financial position at fair value on a recurring basis consist of cash and cash equivalents, which are categorized as a level 1 financial instrument.

Cash and cash equivalents are classified as held for trading and are recorded at fair value in the consolidated statement of financial position. The Company had no other financial instruments recorded at fair value. There were no transfers between levels 1 and 2 during the period.

#### d) Financial risk management

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the Company's activities. Management regularly monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

In the normal course of operations, the Company is exposed to various risks such as interest rate, foreign exchange, credit and liquidity risks. To manage these risks, management determines what activities must be undertaken to minimize potential exposure to risks. The objectives of the Company in managing risks are as follows:

- Maintaining sound financial condition;

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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- Financing operations; and
- Ensuring liquidity to all operations.

In order to satisfy these objectives, the Company has adopted the following policies:

- Prepare budget documents at prevailing market rates to ensure clear, corporate alignment to performance management and achievement of targets;
- Recognize and observe the extent of operating risk within the business; and
- Identify the magnitude of the impact of market risk factors on the overall risk of the business and take advantage of natural risk reductions that arise from these relationships.

There have been no changes in risks that have arisen or how the Company manages those risks during the period.

(i) Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash, which is invested on a short term basis to enable adequate liquidity for payment of operational and capital expenditures. Interest rate risk is considered minimal.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, reclamation bonds, accounts receivable, demand debenture and accounts payable and accrued liabilities that are denominated in US dollars. Management also recognizes that the Company is exposed to financial risks arising from fluctuations in foreign exchange rates and the degree of volatility of these rates, as many of its exploration activities are conducted in United States dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk.

(iii) Commodity price risk

The Company will be exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments.

(iv) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from trade receivables. The Company's credit risk is primarily attributable to cash, GST/HST receivable and reclamation bond. The Company limits its exposure to credit risk on cash as these financial instruments are held with major Canadian and international banks, from which management believes the risk of loss to be remote. Credit risk on note receivable, GST/HST receivable and reclamation bond is considered to be minimal given the relatively immaterial values. The carrying amount of financial assets recorded in the financial statements, net of any allowances, represents the Company's maximum exposure to credit risk.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short term and long term obligations. As disclosed in note 1, the ability of the Company to continue as a going concern is dependent on many factors.

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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### 6. Exploration and evaluation assets

#### a) Perseverance (formerly “Kabba”), Mohave County, Arizona, USA

On November 1, 2005, the Company entered into an agreement to acquire a 100% interest in the Perseverance (formerly “Kabba”) property located in the Maynard District, Mohave County, Arizona by issuing 250,000 common shares of the Company at a deemed value of \$62,500. In a concurrent transaction with a separate party, the Company was also required to pay advance royalties of US\$130,300, and an additional US\$38,740 of advance royalties per year until November 1, 2015 (all payments are current). This royalty is applicable to a sublease portion of the property, and a 4% NSR can be decreased to 2% by paying US\$4,000,000 within the first 20 years of the sublease. During the year ended December 31, 2014, this agreement was extended to 2025. Under the extended agreement, advance royalties of US\$38,682 per year were payable until 2016, increasing to \$50,110 per year until 2019, and increasing to US\$61,572 per year thereafter. Pursuant to the Cordoba Minerals earn-in and joint venture agreement discussed below, so long as the earn-in and joint venture agreement is in effect, the sublease term extends to November 1, 2059, with the right to extend the term of the sublease for an additional 10 year period, and then subject again to an additional five year extension.

On April 19, 2016, the Company announced that it had completed an option agreement with Kennecott Exploration Company (“Kennecott”), part of the Rio Tinto Group, under which Kennecott had the right to earn a 51% interest in the Company's Perseverance porphyry copper project by spending US\$ 3,000,000 on the Perseverance project over the next 5 years. The parties structured the agreements by first moving the Perseverance properties into a limited liability company - MMDEX, LLC (MMDEX) owned wholly by Bell. Upon signing, Kennecott acquired a 5% interest in MMDEX. Kennecott could have terminated the option at any point or accelerate completion of the option by making cash payments to Bell. If Kennecott terminated the option before it earned its full 51%, it would resign as a member of MMDEX and convey its 5% initial ownership back to MMDEX. During the option period, Kennecott would maintain all relevant leases, permits, and rentals.

The agreement allowed for a second option under which Kennecott would have the right to earn an additional 19% (70% in total) in the project by spending an additional US\$ 10,000,000 on the project within 8 years after completing the first option. Again, under the second option Kennecott could terminate the option at any point, and could also accelerate completion of the option by making cash payments to Bell. If Kennecott acquired the first option (51%) or second option (70%), the parties would jointly advance the project through MMDEX pursuant to a shareholder operating agreement, with Kennecott as manager. The parties will fund MMDEX in proportion to their interest in the project (either 51/49 or 70/30). Any member of MMDEX who fails to contribute its share of project costs would be subject to dilution and other remedies. Any member whose interest falls below 10% would have its interest converted to a 1% Net Smelter Return royalty capped at US\$30,000,000. Kennecott had the right to assign any or all of its interest in MMDEX, whereas Bell's right to assign its interest was subject to a right of first refusal by Kennecott.

During the six months ended June 30, 2018, the Company announced that optionee Kennecott Exploration Company, part of the Rio Tinto Group, had terminated their option on the Perseverance project after spending more than US\$3 million on drilling and geophysics. All ownership by Kennecott of MMDEX LLC, the entity that holds the Perseverance property, was relinquished to Bell. Kennecott retains no back-in right or royalty on Perseverance.

On August 27, 2018 the Company entered into an earn-in and joint venture agreement with Cordoba Minerals Corporation on Bell's Perseverance project in Arizona. Under the agreement, Cordoba has the right to earn up to an 80% interest in the Company's Perseverance porphyry copper project by completion of certain financial commitments and the expenditure of \$17,300,000 on the project over the next 7.5 years.

Cordoba can earn up to an 80% interest in the Perseverance project by completing certain phased financial commitments and project expenditures over a 7.5-year period. As at June 30, 2019, Cordoba had completed Phase 1 and had earned a 25% interest in the Company. These commitments are outlined as follows:

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

Earn-In Schedule	Spending Commitment
Initial Commitment	C\$200,000 private placement in Bell Copper and C\$300,000 to complete drill hole K-20
Phase 1	C\$1M within 18 months to earn 25% interest (completed)
Phase 2	Additional C\$3M within subsequent 2 years for 51% interest
Phase 3	Additional C\$3M within subsequent 2 years for 70% interest
Phase 4	Additional C\$10M within subsequent 2 years for 80% interest

Concurrent with this transaction, Cordoba subscribed to 2,857,143 units through a private placement at 0.07 per unit. Each unit consisted of one common share of Bell Copper and one full warrant valid until August 27, 2019 and exercisable at 0.105. If Bell's stock trades at a 100% premium to \$0.07 (the subscription price) for a period of 30 consecutive days prior to the warrant expiry, then Cordoba will be obligated to exercise the warrants in full.

A reconciliation of exploration and evaluation assets is as follows:

	Perseverance, Arizona USA
Balance, December 31, 2017	\$ 4,088,867
Exploration costs	179,477
Balance, June 30, 2018	\$ 4,268,344
<b>Exploration costs</b>	
Drilling	<b>220,820</b>
Foreign exchange translation	<b>9,480</b>
<b>Earn in funds received from joint venture partner</b>	<b>(299,908)</b>
<b>Balance, September 30, 2019 and December 31, 2018</b>	<b>\$ 4,198,736</b>

### 7. Loans payable

On March 24, 2015, the Company announced it had entered into a loan agreement with Desert Fox Mineral Co. ("Desert Fox") for \$150,000, with interest accruing at 12% per year. The loan was due in 12 months and was secured against the Company's Perseverance mineral property. On March 8, 2016, the Company entered into an agreement to extend the terms of the loan from Desert Fox Minerals Co. to March 19, 2017. 1,000,000 warrants with a fair value of \$6,129 were granted to the lender for their cooperation with the extension request. These warrants are exercisable at \$0.05 for a period of 12 months. During the year ended December 31, 2017, the Company further extended the term of the loan to March 19, 2018 for a further 1,000,000 warrants exercisable at \$0.10 for a period of 12 months with fair value of \$71,627 recorded as finance expense. During the year ended December 31, 2018, the Company repaid the principal and interest in full.

### 8. Related party transactions

#### Key management compensation

Compensation paid to key management, including amounts noted below, is as follows:

	September 30, 2019	September 30, 2018
Fees	\$ 109,313	\$ 96,244
Share-based payments	-	-
<b>Total</b>	<b>\$ 109,313</b>	<b>\$ 96,244</b>

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

During the three and nine months ended September 30, 2019 and 2018, the Company entered into transactions with the following related parties:

Related party	Relationship	Nature of Transactions	Incurring period ended September 30, 2019	Incurring period ended September 30, 2018	Balance payable at September 30, 2019	Balance payable at December 31, 2018
Tim Marsh	Chief executive officer and director	Management and geological consulting	\$ 64,313	\$ 51,244	\$ 73,133	\$ 45,507
ISG Professional Services Inc.	Annie Storey, chief financial officer and director, is shareholder	Financial consulting	45,000	45,000	186,773	124,826
			\$ 109,313	\$ 96,244	\$ 259,906	\$ 170,333

### 9. Write off of accounts payable

During the year ended December 31, 2018, the Company wrote off \$146,882 of disputed accounts payable originating from 2012 or prior, resulting in a gain on write off of accounts payable.

### 10. Contingent liabilities

The Company's exploration and evaluation assets are affected by the laws and regulations concerning environmental protection that exist in the various jurisdictions. It is not possible to estimate the future impact on operating results, if any, as a result of, future changes in regulations or developments.

During 2008, the Company was invoiced a total of \$1,460,695 by Golden Gryphon for amounts related to option payments and exploration work. Although the full amount of this invoice is in dispute, the Company has accrued \$589,314 as at September 30, 2019 (\$445,000 USD) (December 31, 2018 - \$607,069) as a contingent liability. On September 4, 2009, the Company filed an appearance to proceedings commenced by Golden Gryphon. Management is not aware of any further action taken by Golden Gryphon related to the disputed amount since September 2009. The Company continues to believe that the full amount of the claim is without merit.

The Company's subsidiary, Rogue River, entered into a stock purchase agreement as of January 25, 2007 with Fischer-Watt Gold Company, Inc. ("Fischer-Watt") for purchase of the La Balsa property. As part of the purchase, Rogue River granted to Fischer-Watt a 1% net smelter royalty ("NSR") for production from the porphyry portion September 30, 2019 (CAD \$1,324,300) (December 31, 2018 - \$1,364,200) in the event that commercial production was not achieved on the porphyry portion of the property by December 4, 2012 ("the "Repurchase Right"). Since no economically significant porphyry has been discovered on the property to date, the Repurchase Right is currently in dispute, however the Company has elected to accrue this amount as a contingent liability. The Company continues to believe that the full amount of the claim is without merit.

### 11. Share capital

Authorized: unlimited common voting shares, without par value.

On March 6, 2018, the Company announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.10 per unit to raise proceeds of up to \$500,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 12 months from closing. During the year ended December 31, 2018, the Company issued a total of 2,814,012 units of this private placement for gross proceeds of \$281,401.

Concurrent to the transaction discussed in note 6, Cordoba subscribed to 2,857,143 units at \$0.07 per unit for gross

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

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proceeds of \$200,000. Each unit consists of one common share of Bell Copper and one full warrant valid until September 17, 2019 and exercisable at \$0.105. If Bell's stock trades at a 100% premium to \$0.07 for a period of 30 consecutive days prior to the warrant expiry, then Cordoba will be obligated to exercise the warrants in full. The securities issued in conjunction with this financing are subject to a 4 month hold expiring January 18, 2019.

On November 15, 2018, the Company issued 250,000 common shares of the Company on exercise of options at \$0.05 per share for gross proceeds of \$12,500.

On March 8, 2019, the Company announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.10 per unit to raise proceeds of up to \$500,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of \$0.20 per share for 12 months from closing. As at June 30, 2019, the Company had received gross proceeds of \$85,125 and issued 851,250 units under this private placement.

### 12. Options and warrants

#### a) Stock options

The Company has adopted an incentive stock option plan (the "SOP"), as amended, under the rules of the TSX-V pursuant to which it is authorized to grant options to executive officers, directors, employees and consultants. Under the SOP, the option exercise price of any option granted shall be equal to the greater of either the amount designated by the administrator at the time of grant, or the discounted market price of the Company's common shares for the 10 trading days immediately preceding the day on which the TSX-V received notice that options have been granted under this SOP. For the purpose of the SOP, the discounted market price is calculated in accordance with the policies of the TSX-V at the time of grant of the options. The administrator may also determine that the option exercise price per common share may escalate at a specified rate or rates. The options can be granted for a maximum term of 5 years and certain options vest 25% on the date of grant and 25% every 6 months thereafter for 18 months, while others vest immediately. No individual may hold options to purchase common shares of the Company exceeding 5% of the total number of common shares outstanding from time to time. Pursuant to the policies of the TSX Venture Exchange, shares issued upon the exercise of options are restricted from trading during the 4 month period subsequent to the exercise of the options. For stock options granted to employees, officers, directors and consultants, the Company recognizes stock based compensation expense based on the estimated fair value of the stock options granted as calculated using the Black-Scholes option-pricing model on the date of the grant.

During the year ended December 31, 2018, the Company issued 2,924,472 stock options to various officers, directors and consultants of the Company, exercisable at \$0.15 for a period of 5 years. This option grant resulted in share based compensation expense of \$398,831.

On November 15, 2018, the Company issued 250,000 common shares of the Company on exercise of options at \$0.05 per share for gross proceeds of \$12,500.

A summary of stock option activity is as follows:

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## Notes to the Condensed Consolidated Interim Financial Statements For the three and nine months ended September 30, 2019 and 2018 Expressed in Canadian Dollars

	Number of options	Average exercise price
Balance, December 31, 2017	8,728,772	0.05
Granted	2,874,472	0.10
<b>Balance, June 30, 2018</b>	<b>11,603,244</b>	<b>\$ 0.06</b>
Granted	50,000	0.10
Exercised	(250,000)	0.05
<b>Balance, December 31, 2018</b>	<b>11,403,244</b>	<b>\$ 0.09</b>
<b>Expired</b>	<b>(4,500,000)</b>	<b>0.05</b>
<b>Balance, September 30, 2019</b>	<b>6,903,244</b>	<b>\$ 0.09</b>

A summary of options outstanding as at September 30, 2019 is as follows:

Expiry date	Number of options	Exercise price	Weighted average remaining contractual life (years)
April 15, 2020	1,733,499	0.05	0.54
December 8, 2021	2,245,273	0.05	2.19
January 25, 2023	2,874,472	0.15	3.32
July 15, 2023	50,000	0.15	3.79

The fair value of stock options granted was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	December 31, 2018
Risk free rate of interest	2.04% - 2.07%
Expected life of options	5 years
Exercise price of options	\$ 0.15
Expected annualized volatility	214% - 219%
Expected dividend rate	0%

### b) Warrants

During the year ended December 31, 2018, the Company issued 2,874,012 warrants pursuant to the private placement discussed in note 10.

Concurrent to the transaction discussed in notes 6 and 10, the Company issued 2,857,153 warrants exercisable at \$0.105. If Bell's stock trades at a 100% premium to \$0.07 for a period of 30 consecutive days prior to the warrant expiry, then Cordoba will be obligated to exercise the warrants in full.

A summary of warrants outstanding as at September 30, 2019 is as follows:

Expiry date	Number of warrants	Exercise price	Weighted average remaining contractual life (years)
May 9, 2020	701,250	0.20	0.61
June 28, 2020	150,000	0.20	0.75

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A summary of warrant activity is as follows:

	Number of warrants	Average exercise price
Balance, December 31, 2017	1,000,000	\$ 0.05
Granted	2,814,012	0.20
Expired / forfeited	(1,000,000)	0.05
Balance, June 30, 2018	2,814,012	\$ 0.20
Granted	2,857,143	0.11
Balance, December 31, 2018	5,671,155	\$ 0.13
<b>Granted</b>	<b>851,250</b>	<b>\$ 0.20</b>
<b>Expired / forfeited</b>	<b>(5,671,155)</b>	<b>0.20</b>
<b>Balance, September 30, 2019</b>	<b>851,250</b>	<b>\$ 0.20</b>

### 13. Financial instruments

Financial assets and financial liabilities as at September 30, 2019 and December 31, 2018 are as follows:

	Loans and receivables	Assets/liabilities at fair value through profit and loss	Other liabilities	Total
<b>As at September 30, 2019</b>				
Cash	\$ -	\$ 19,862	\$ -	\$ 19,862
Reclamation bonds	23,837	-	-	23,837
Accounts payable	-	-	1,032,872	1,032,872
<b>As at December 31, 2018</b>				
Cash	\$ -	\$ 75,002	\$ -	\$ 75,002
Reclamation bonds	24,556	-	-	24,556
Accounts payable	-	-	987,707	987,707

### 14. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration and future development of mineral properties. The Company's exploration and evaluation assets are all located in the United States.

### 15. Commitments

The Company is committed under various contracts and agreements on its exploration and evaluation assets, as described in note 6.

### 16. Subsequent events

Subsequent to September 30, 2019, the Company announced a non-brokered private placement of up to 10,000,000 units at a price of \$0.05 per unit to raise proceeds of up to \$500,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of \$0.08 per share for 24 months from closing.