



WARRIOR GOLD

EXPERIENCE • EXPLORATION • RESULTS

(Formerly War Eagle Mining Company Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

**NOTICE OF NO AUDITOR REVIEW OF
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Warrior Gold Inc. for the six months ended September 30, 2019 have been prepared by and are the responsibility of the Company's management ("Management") and have been approved by the Company's audit committee.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Condensed Consolidated Interim Statements of Financial Position

Expressed in Canadian Dollars

As at	Note	September 30, 2019 \$	March 31, 2019 \$
ASSETS			
Current assets			
Cash		827,403	914,488
Receivables		119,349	78,683
Prepaid expenses and deposits		15,926	6,088
Total current assets		962,678	999,259
Non-current assets			
Exploration and evaluation assets	6	4,990,286	4,990,286
Right-of-use asset	4	37,597	-
Total non-current assets		5,027,883	4,990,286
Total assets		5,990,561	5,989,545
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	224,974	499,209
Lease liability – short term	4	7,732	-
Total current liabilities		232,706	499,209
Non-current			
Accounts payable and accrued liabilities	10	-	50,000
Lease liability – long term	4	33,585	-
Total non-current liabilities		33,585	50,000
Total liabilities		266,291	549,209
EQUITY			
Share capital	7	45,747,630	44,926,290
Subscription	7	40,000	-
Reserves	7,8,9	4,324,678	4,317,178
Deficit		(44,388,038)	(43,803,132)
Total equity		5,724,270	5,440,336
Total liabilities and equity		5,990,561	5,989,545

Corporate information and going concern (Note 1)

Commitments and contingencies (Note 14)

On behalf of the Board of Directors:*"Malcolm Burke"*

Director

"Peter Winnell"

Director

See accompanying notes.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Condensed Consolidated Interim Statements of Comprehensive Loss**Expressed in Canadian Dollars**

		Three Months Ended September 30		Six Months Ended September 30	
	Note	2019	2018	2019	2018
		\$	\$	\$	\$
Operating expenses					
Consulting fees		10,500	13,685	21,640	26,125
Depreciation		3,789	-	7,495	189
Exploration costs	6	67,393	38,233	316,431	256,353
Insurance		2,413	1,350	6,558	3,896
Investor relations		26,691	59,177	43,124	82,252
Management fees and salaries	10	72,000	96,000	144,000	192,000
Office and miscellaneous		5,352	7,341	11,555	23,378
Professional fees		8,500	17,897	16,547	18,882
Rent		1,264	3,805	2,617	7,658
Transfer agent and filing fees		3,649	10,765	6,389	15,542
Travel		2,852	3,348	3,052	3,520
Loss before other income (expenses)		(204,403)	(251,601)	(579,408)	(629,795)
Other income (expense)					
Gain on extinguishment of debt		-	-	-	54,050
Foreign exchange gain (loss)		1,035	(7,595)	(2,932)	(118)
Interest expense		(1,264)	-	(2,566)	-
Sale of rights to royalty	5	-	324,512	-	324,512
		(229)	316,917	(5,498)	378,444
Income (loss) and total comprehensive income (loss) for the period		(204,632)	65,316	(584,906)	(251,351)
Basic and diluted income (loss) and comprehensive income (loss) per common share		0.00	0.00	(0.01)	(0.01)
Weighted average number of common shares outstanding, basic and diluted		57,986,222	44,306,290	57,617,677	44,273,511

See accompanying notes.

WARRIOR GOLD INC.
(Formerly War Eagle Mining Company Inc.)
Condensed Consolidated Interim Statements of Cash Flows
Expressed in Canadian Dollars

Six months ended September 30	Note	2019 \$	2018 \$
Operating activities			
Income (Loss) for the period		(584,906)	(251,351)
Adjustments for			
Foreign exchange		1,518	(11,655)
Depreciation		7,495	189
Gain on extinguishment of debt		-	(54,050)
Interest expense on lease payments`		2,548	-
Changes in non-cash operating working capital			
Accounts receivable		(40,666)	24,170
Prepaid expenses		9,838	191,411
Accounts payable and accrued liabilities		(226,783)	(173,963)
Cash used in operating activities		<u>(850,632)</u>	<u>(275,249)</u>
Financing activities			
Shares issued in private placements	7,10	759,983	-
Share issue costs	7	(31,143)	-
Subscriptions		40,000	5,250
Exercise of options	7	-	5,000
Lease payments	4	(3,775)	-
Cash provided by investing activities		<u>765,065</u>	<u>10,250</u>
Investing activities			
Acquisition of resource properties		-	(159,516)
Cash provided by investing activities		<u>-</u>	<u>(159,516)</u>
Foreign exchange effect on cash		<u>(1,518)</u>	<u>11,655</u>
Increase (decrease) in cash and cash equivalents		(87,085)	(412,860)
Cash, beginning of period		<u>914,488</u>	<u>968,507</u>
Cash, end of period		<u>827,403</u>	<u>555,647</u>
Cash paid (received) for interest		\$ -	\$ -
Cash paid (received) for income tax		\$ -	\$ -

See accompanying notes.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

**Condensed Consolidated Interim Statements of Changes in Equity
Expressed in Canadian Dollars**

	Note	Common shares \$	Subscription \$	Reserves \$	Deficit \$	Total equity \$
Balance March 31, 2018		44,026,828		4,314,928	(42,618,931)	5,722,825
Subscription		-	5,250	-	-	5,250
Options exercised		5,000		-	-	5,000
Transfer of stock option fair value on exercise		2,350		(2,350)	-	-
Loss for the period		-		-	(251,351)	(251,351)
Balance September 30, 2018		44,034,178	5,250	4,312,578	(42,870,282)	5,481,724
Balance March 31, 2019		44,926,290	-	4,317,178	(43,803,132)	5,440,336
Private placements	7	859,983	-	-	-	859,983
Less share issuance costs		(31,143)	-	-	-	(31,143)
Subscriptions	7	-	40,000	-	-	40,000
Issuance of broker warrants	7	(7,500)	-	7,500	-	-
Net (loss) for the period		-	-	-	(584,906)	(584,906)
Balance September 30, 2019		45,747,630	40,000	4,324,678	(44,388,038)	5,724,270

See accompanying notes.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

1. Corporate Information and going concern

Warrior Gold Inc., formerly War Eagle Mining Company Inc. (the “Company” or “Warrior Gold”) was incorporated under the laws of British Columbia on March 6, 1984. The Company is engaged in the acquisition and exploration of mineral resource properties. The Company is listed on the TSX Venture Exchange (the “TSX-V”), under the symbol “WAR”, as a Tier 2 mining issuer.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. The Company incurred a loss of \$584,906 during the six months ended September 30, 2019 (September 30, 2018 – \$251,351) and, as of that date the Company’s deficit was \$44,388,038 (March 31, 2019 - \$43,803,132). The Company had cash of \$827,403 at September 30, 2019 (March 31, 2019 - \$914,488). As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and pursue the acquisition and exploration of mineral resource properties. Although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The address of the Company’s corporate office and principal place of business is 25 Adelaide Street East, Toronto, Ontario, Canada, M5C 3A1.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended September 30, 2019 have been prepared by management 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.

The Company has adopted IFRS 16, Leases (“IFRS 16”), which became effective April 1, 2019. Note 4 discloses the effects of the adoption of these new IFRS pronouncements for all periods presented, including the nature and effect of changes in accounting policies.

The Company’s board of directors approved the release of these condensed consolidated interim financial statements on November 28, 2019.

b) Basis of measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these financial statements is cost, net realizable value, fair value or recoverable amount. These financial statements, except for the statement of cash flows, are based on the accrual basis. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 3.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

2. Basis of Presentation (continued)

c) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of Warrior Gold Inc. and its wholly-owned subsidiaries. The principle subsidiaries are:

	Incorporation	Percentage of Ownership	
		2019	2018
Champagne Resources Limited ("Champagne")	Canada	100%	100%
RD Minerals S.A. de C.V. (owned by Champagne)	Mexico	100%	100%

All significant intercompany transactions have been eliminated.

3. Summary of Significant Accounting Policies

The Company has applied the same accounting policies in these condensed consolidated interim financial statements as those applied in the Company's annual audited consolidated financial statements as at and for the year ended March 31, 2019.

In preparing these condensed consolidated interim financial statements, the significant judgements we made in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended March 31, 2019, with the exception of the new estimate identified below.

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual audited consolidated financial statements as at and for the years ended March 31, 2019 and 2018.

Estimates and Judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. A new significant estimate includes:

- Estimating the present value of lease liabilities and depreciation of right-of-use assets.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

4. Adoption of New Accounting Pronouncements

Effective April 1, 2019, the following standard was adopted:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases and requires how leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less for the underlying asset.

For the lease where the Company is the lessee, it recognizes a right-of-use asset and a lease liability for its office premises leases previously classified as an operating lease. The Company chose the adopted modified retrospective approach on transition to IFRS 16 on April 1, 2019 and has chosen not to restate comparative information in accordance with the transitional provisions in IFRS 16. As a result, the comparative information continues to be presented in accordance with the Company's previous accounting policies.

At the time of adoption of IFRS 16 on April 1, 2019, the Company had one operating lease for office premises. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates applies to the lease liability. The weighted average incremental borrowing rate applied to the lease liability in the six months ended September 30, 2019 was 9.9% per annum. The lease term remaining as at September 30, 2019 is approximately 3.92 years. The details of the lease liability recognized during the period are as follow:

Six months ended September 30,	2019
	\$
Operating lease commitment as at March 31, 2019	57,534
Discount of future commitment	(12,442)
Lease liability recognized as at April 1, 2019	45,092

Right-of-use asset

The following is the continuity of the cost and accumulated amortization of right-of-use asset (office premises) as at and for the period ended September 30, 2019:

Three Months Ended September 30,	2019
Cost	\$
Balance, April 1, 2019	45,092
Additions	-
Balance, September 30, 2019	45,092
Accumulated depreciation	
Balance, April 1, 2019	-
Depreciation	7,495
Balance, September 30, 2019	7,495
Carrying amount as at September 30, 2019	37,597

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

4. Adoption of New Accounting Pronouncements (continued)***IFRS 16 Leases (continued)*****Lease liabilities**

The following is the continuity of lease liability as at and for the period ended September 30, 2019:

Three Months Ended September 30,	2019
Cost	\$
Balance, April 1, 2019	45,092
Additions	-
Lease payments	(6,323)
Interest expense on lease payments	2,548
Balance, September 30, 2019	41,317
Less: current portion	(7,732)
Lease liabilities – non current	33,585

5. Sale of a subsidiary

In December 2013, the Company sold all of the shares of its then wholly-owned subsidiary, Tombstone Exploration de Mexico S.A. de C.V., which was the owner of Tres Marias property in Mexico to Contratista Y Operaciones Mineras S.A. de C.V. (“COMSA”) for a consideration of US\$2,500,000.

In August 2016, the Company entered into a new agreement with COMSA wherein, the Company negotiated additional royalty payments as below:

- COMSA was to pay War Eagle 25% of the germanium value recovered from any zinc-germanium concentrate sales starting September 30, 2016.
- COMSA was to pay War Eagle 25% of the lead value recovered from any lead concentrate sales after September 30, 2016.
- COMSA was to pay War Eagle 25% of the zinc sales for price received in excess of \$1.00 per pound of zinc sales after December 31, 2016.

During the year ended March 31, 2019, the Company and COMSA came to an agreement where COMSA agreed to make two US\$125,000 payments each on July 31, 2018 and September 28, 2018 (which were received) to buy out the royalty payments.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

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Six Months Ended September 30, 2019

Expressed in Canadian Dollars

6. Exploration and Evaluation Assets*The Goodfish-Kirana Project (“Goodfish-Kirana”)*

On February 9, 2018, the Company completed the amalgamation with Champagne, through a “triangular amalgamation” whereby Champagne merged with Andromeda Resources Inc. and became a subsidiary of Warrior Gold. In that amalgamation, the Company acquired the Goodfish-Kirana property. The Goodfish-Kirana property is comprised of 20 patented mining claims and 66 staked claims. The property is now wholly-owned by the Company subject to various net smelter royalty (“NSR”) arrangements.

During the year ended March 31, 2019, the Company acquired eight additional patented claims contiguous to the Goodfish-Kirana property for \$161,728. There is a 1.5% NSR on the claims, 1% of which can be purchased for \$1,000,000.

During the year ended March 31, 2019, the Company acquired a 24-claim package (the “Sutton claims”) (304.04 hectares) adjacent to the northeast portion of the Company’s Goodfish-Kirana property, together with three contiguous new claims (50.64 hectares) staked by the Company. These two strategic additions bring the Company’s land package in the Kirkland Lake Gold Camp to 3,859 hectares. The claims were acquired in exchange for a 1.5% NSR. The Company has the right to buy-back 1% of the NSR for \$1,000,000.

During the six months ended September 30, 2019 and 2018, the Company incurred exploration expenses on Goodfish-Kirana as follows:

	September 30, 2019 \$	September 30, 2018 \$
Drilling	110,369	88,220
Geology	91,301	42,313
Assays	29,645	16,438
Geophysics	9,975	77,530
Core sampling	17,431	500
Camp costs	24,889	20,938
Community engagement		1,803
Technical reports	6,123	8,564
Ground preparation	9,561	3,940
Geotechnical	4,951	49,531
Logistics	480	-
Other	1,710	-
Prospecting	9,996	-
Survey	-	(53,424)
	316,431	256,353

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

7. Share Capital and Reserves*Authorized capital*

Unlimited common shares, without par value.

Issued capital

	Common Shares (#)	Common Shares (\$)
March 31, 2018	44,240,552	44,026,828
Shares issued in private placements	13,202,927	936,805
Share issuance costs	-	(40,093)
Shares issued on exercise of options	50,000	5,000
Transfer of stock option fair value on exercise	-	2,350
Share issuance costs – broker warrants	-	(4,600)
March 31, 2019	57,493,479	44,926,290
Shares issued in private placements	9,066,478	859,983
Share issuance costs	-	(31,143)
Fair value of warrants	-	(7,500)
September 30, 2019	66,559,957	45,747,630

Share Issuances

During the six months ended September 30, 2019, the Company completed a private placement (“Offering”) with the issuance of gross proceeds of \$859,983 through the issuance of 4,400,000 flow-through units (“FT Units”) and 4,666,478 hard dollar units (“HD Units”).

Each FT Unit was priced at \$0.10 and comprises one flow-through common share and one-half of one common share purchase warrant (a “FT Warrant”) and each HD Unit was priced at \$0.09 and comprises one common share and one-half of one common share purchase warrant (a “HD Warrant”) of the Company. Each whole FT Warrant and HD Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company (a “Warrant Share”), at a price of \$0.15 per Warrant Share for one year post the closing date, provided, however, that, if at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSX Venture Exchange (the “TSXV”) is greater than \$0.30 for 20 or more consecutive trading days, the Warrants will be accelerated and will expire on the 30th business day following the date of notice of such acceleration.

In connection with the Offering, the Company paid finders’ fees of \$31,143 in cash and 323,869 finder warrants issued on the same terms as the financing Warrants (but non-transferable), as permitted by the policies of the TSXV. The fair value of the finder warrants was determined to be \$7,500.

During the year ended March 31, 2019, the Company completed a private placement (“Private Placement”) with the issuance of a total of 12,782,927 common share units at a price of \$0.07 per unit for aggregate proceeds of \$894,805. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company for a period of 12 months from the date of issue at a price of \$0.15 per common share, should the Company’s shares trade at \$0.30 per share or greater for a period of 20 consecutive trading days following the expiry of the four-month hold period. The expiry or exercise of the warrants may be accelerated by the Company providing notice to warrant holders. In such instance, the warrants will expire 30 days thereafter.

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended September 30, 2019

Expressed in Canadian Dollars

7. Share Capital and Reserves (continued)**Share Issuances (continued)**

The Company also issued 420,000 flow-through shares at a price of \$0.10 per share for aggregate proceeds of \$42,000. Each flow-through share consists of one common share issued on a flow-through basis which entitles the holder to receive the tax benefits applicable to flow-through shares, in accordance with provisions of the Income tax Act (Canada).

The Company paid finders' fees equal to \$40,093 in cash and 269,231 common share broker warrants issued on the same terms as the Private Placement warrants.

Reserves

The reserves recorded in equity on the Company's statement of financial position comprise the fair value of share-based compensation and warrants prior to exercise, and obligations to issue shares in accordance with debt settlement agreements.

8. Share-Based Compensation

In September 2018, the shareholders of the Company reapproved the incentive stock option plan (the "2014 Plan") which provides that the aggregate number of common shares of the Company's capital issuable pursuant to options granted may not exceed 10% of the issued and outstanding shares. If the aggregate number of options granted exceeds the maximum allowed under the 2014 Plan, exercise of the options will require Warrior Gold shareholder approval. Options granted under the Plan may have a maximum term of ten years and the exercise price of options granted shall not be less than the discounted market price of the common shares as of the award date. The board of directors has the authority to set the vesting terms of options granted, subject to the rules of the TSX-V regarding options granted for investor relations services.

The Company did not grant any options for the six months ended September 30, 2019 and September 30, 2018.

	Number of options	Weighted average exercise price \$
March 31, 2018	3,564,659	0.20
Exercised	(50,000)	0.10
Expired	(18,702)	0.27
March 31, 2019 and September 30, 2019	3,495,957	0.20

The weighted average trading price on date of exercise for the stock options exercised during the year ended March 31, 2019, was \$0.20.

The Company's outstanding and exercisable stock options at September 30, 2019 are:

Expiry Date	Outstanding Options			Exercisable Options	
	Options (#)	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price \$	Options (#)	Weighted Average Exercise Price \$
October 31, 2019	249,000	0.08	0.10	249,000	0.10
May 5, 2021	3,246,957	1.60	0.21	3,246,957	0.21
	3,495,957	1.49	0.20	3,495,957	0.20

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Six Months Ended September 30, 2019

Expressed in Canadian Dollars

9. Warrants

The Company's outstanding warrants, at September 30, 2019, are:

	Number of Financing Warrants	Weighted Average Exercise Price \$	Number of Broker Warrants	Weighted Average Exercise Price \$
March 31, 2018	6,086,045	0.36	-	-
Issued	6,391,464	0.15	269,231	0.15
March 31, 2019	12,477,509	0.25	269,231	0.15
Issued	4,533,239	0.15	323,869	0.15
Expired	(6,051,136)	0.36	-	-
September 30, 2019	10,960,612	0.15	593,100	0.15

Number of Financing Warrants	Number of Broker Warrants	Exercise Price \$	Expiry Date
35,909	-	0.67	February 9, 2021
6,391,464	269,231	0.15	March 20, 2020
4,533,239	323,869	0.15	September 25, 2020
10,960,612	593,100		

10. Related-Party Transactions

The Company entered into the following transactions with related parties not disclosed elsewhere in these condensed consolidated interim financial statements:

Key management personnel compensation

Six months ended September 30,	2019	2018
	\$	\$
Short-term employee benefits	144,000	192,000

The short-term employee benefits were paid or accrued to personal companies owned by employees and directors of the Company.

As at September 30, 2019, \$50,000 (March 31, 2019 - \$125,275) is due to the Company's CEO, which is included in accounts payable and accrued liabilities. During the period ended September 30, 2019, the CEO converted \$100,000 of outstanding debt into units (1,000,000 shares and 500,000 warrants).

Related-party balances bear no interest and are unsecured. Transactions with related parties were in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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Six Months Ended September 30, 2019

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11. Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs, to provide sufficient working capital to meet its ongoing obligations and to pursue other potential investments. The Company prepares expenditure budgets, which are updated as necessary depending on varying factors including current and forecast prices, successful capital deployment and general industry conditions.

The Company considers its capital to include equity and working capital. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its spending to manage current and projected capital levels. To assess capital and operating efficiency and financial strength, the Company regularly monitors its working capital which is calculated as follows:

	September 30 2019	March 31 2019
	\$	\$
Current assets	962,678	999,259
Current liabilities	(232,706)	(499,209)
Working capital	729,972	500,050

The Company is not subject to external capital restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes to the Company's approach to capital management during the six months ended September 30, 2019.

12. Financial Instruments

Fair Value

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. Fair value amounts disclosed in these condensed consolidated interim financial statements represent the Company's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. These estimates may change in subsequent reporting periods due to market conditions or other factors.

A fair value hierarchy is used to categorize the inputs used to measure fair value. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

Level 1 - include financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - include financial assets and liabilities using valuation techniques based on assumptions that are supported by prices from observable current market transactions.

The Company has no assets or liabilities in this category.

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12. Financial Instruments (continued)

Fair value (continued)

Level 3 - include financial assets and liabilities measured using valuation techniques based on nonmarket observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company has no assets or liabilities in this category.

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value due to the short-term nature and limited credit risk of these assets and liabilities.

Financial Instruments Risk Management

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, and the Company's objectives, policies and processes for measuring and managing such risks. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

The Company's profitability and long-term viability will depend, in large part, on the market price of base metals. The market prices for metals can be volatile and are affected by numerous factors beyond the Company's control, including: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices.

The market price of these minerals and metals may not remain at current levels. In particular, an increase in worldwide supply and consequent downward pressure on prices may result over the longer term from increased base metal production from mines developed or expanded as a result of current metal price levels.

Foreign currency exchange rate risk

The Company is exposed to foreign currency fluctuations as it has cash, receivables and accounts payable and accrued liabilities denominated in US dollars. There are no exchange rate contracts in place. A 10% change in the US dollar will affect profit/loss by approximately \$7,000.

Financial instruments denominated in foreign currencies are:

	As at September 30, 2019	As at March 31, 2019
	US Dollars	US Dollars
Cash	54,338	143,721
Exchange rate - \$1.00 =	.7551	.7483

WARRIOR GOLD INC.

(Formerly War Eagle Mining Company Inc.)

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Six Months Ended September 30, 2019

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12. Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it did not hold any funds in interest bearing accounts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in paying obligations as they come due. The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consists of invoices payable to trade suppliers for capital expenditures, field operating activities, and general corporate expenses. Substantially, all of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

As at September 30, 2019, the Company has a working capital of \$729,972 (March 31, 2019 - \$500,050).

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of receivables.

13. Segment Reporting

The Company's activities are in one industry segment - mineral property acquisition and exploration. Substantially all administrative expenses are incurred in Canada.

14. Contingencies and Commitments

Former CEO Litigation

In August 2016, the Company terminated the services of Mr. Thomas Atkins, the former CEO, for non-performance. In October 2016, Mr. Atkins filed a lawsuit in the Supreme Court of Ontario for damages of \$205,000 and also claimed damages of \$500,000 for undisclosed claims. The Company also counter-claimed for \$500,000 for damages suffered by the Company. In April 2018, the Company settled all the claims plus legal costs relating to Mr. Atkins lawsuit for the sum of \$210,000, which included recoverable HST. The Company was reimbursed \$30,000 by the insurance provider relating to this lawsuit.

Compensation Agreements

In May 2019, the compensation agreement of a director/member of Management was amended to \$5,000 per month. This contract may be terminated by either party with 30 days' notice.

The Company has a compensation agreement with the CEO for \$15,000 per month, which is automatically renewable for successive one-year terms.

During the year ended March 31, 2019, the CEO agreed to accrue \$5,000 of her monthly compensation, commencing December 1, 2018 and continuing until the earlier of March 31, 2019 and the closing of an equity financing by the Company which nets to the Company's treasury at least \$1,000,000. Any compensation so deferred will be accrued and payable thereafter only when and to the extent approved by the board of directors of the Company. (Note 10)

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(Formerly War Eagle Mining Company Inc.)

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15. Subsequent event

In November 2019, the Company completed a private placement (“Offering”) with the issuance of gross proceeds of \$150,110 through the issuance of 800,000 FT Units and 779,000 HD Units.

Each FT Unit was priced at \$0.10 and comprises one flow-through common share and one-half of one FT Warrant and each HD Unit was priced at \$0.09 and comprises one common share and one-half of one HD Warrant of the Company. Each whole FT Warrant and HD Warrant will entitle the holder, on exercise, to purchase one additional common share of the Company, at a price of \$0.15 per Warrant Share for one year post the closing date, provided, however, that, if at any time following the expiry of the statutory four-month hold period, the closing price of the common shares on the TSXV is greater than \$0.30 for 20 or more consecutive trading days, the Warrants will be accelerated and will expire on the 30th business day following the date of notice of such acceleration.