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**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

(Expressed in Canadian Dollars)

(Unaudited)

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.



**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	<b>Three Months ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>EXPENSES</b>				
Exploration expenses	\$ 340,175	\$ 278,709	\$ 1,611,429	\$ 809,623
Professional fees	7,000	8,313	33,329	27,859
Management fees and salaries (Note 13)	46,512	26,228	165,500	143,733
Office and general	18,289	13,032	50,042	42,572
Regulatory and transfer agent	581	1,460	9,759	14,696
Investor relations	27,739	5,234	98,806	133,714
Share-based payments (Notes 12 and 13)	-	-	-	61,180
<b>Loss before the under noted</b>	<b>440,296</b>	<b>332,976</b>	<b>1,968,865</b>	<b>1,233,377</b>
Interest income	(320)	(1,761)	(2,941)	(6,362)
Foreign exchange gain	-	-	-	(2)
Flow-through shares premium	(67,784)	(87,694)	(398,133)	(144,108)
Unrealized loss (gain) on marketable securities (Note 7)	(517)	(215)	(1,981)	-
<b>Loss for the period</b>	<b>\$ 371,675</b>	<b>\$ 243,306</b>	<b>\$ 1,565,810</b>	<b>\$ 1,082,905</b>
<b>Loss per share - basic and diluted</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>
Weighted average number of common shares outstanding - basic and diluted	75,586,472	48,424,426	68,397,691	45,980,803

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

**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital	Reserves		Deficit	Total
		Equity settled share-based payments reserve	Warrants reserve		
<b>Balance, December 31, 2018</b>	<b>\$ 28,895,886</b>	<b>\$ 808,011</b>	<b>\$ 458,456</b>	<b>\$ (29,002,753)</b>	<b>\$ 1,159,600</b>
Loss for the period	-	-	-	(1,082,905)	(1,082,905)
Issuance of common shares (net of issue costs)	330,892	-	-	-	330,392
Issuance of stock options	-	61,180	-	-	61,180
Expiry of stock options	-	(513,663)	-	513,663	-
<b>Balance, September 30, 2019</b>	<b>\$ 29,226,778</b>	<b>\$ 355,528</b>	<b>\$ 458,456</b>	<b>\$ (29,571,995)</b>	<b>\$ 468,267</b>
<b>Balance, December 31, 2019</b>	<b>\$ 29,934,685</b>	<b>\$ 532,660</b>	<b>\$ 212,475</b>	<b>\$ (29,434,152)</b>	<b>\$ 1,245,668</b>
Loss for the period	-	-	-	(1,565,810)	(1,565,810)
Issuance of common shares (net of issue costs)	670,665	-	-	-	670,665
Issuance of warrants	-	-	173,020	-	173,020
<b>Balance, September 30, 2020</b>	<b>\$ 30,605,350</b>	<b>\$ 532,660</b>	<b>\$ 385,495</b>	<b>\$ (30,999,962)</b>	<b>\$ 523,543</b>

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**MURCHISON MINERALS LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months ended September 30,		Nine Months ended September 30,	
	2020	2019	2020	2019
<b>CASH (USED IN) PROVIDED BY:</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	\$ (371,675)	\$ (243,306)	\$ (1,565,810)	\$ (1,082,905)
Share-based payments	-	-	-	61,180
Flow-through shares premium	(67,784)	(87,694)	(398,133)	(144,108)
Unrealized loss (gain) on marketable securities	(517)	(215)	(1,981)	-
Amortization	4,113	1,975	12,050	1,975
Common shares issued for mineral property	-	-	-	65,000
	(435,863)	(329,240)	(1,953,874)	(1,098,858)
Net change in non-cash working capital items:				
Amounts receivable and prepaid expenses	112,575	8,853	54,233	124,024
Accounts payable and accrued liabilities	111,334	(48,882)	234,545	(70,093)
<b>Net cash flows used by operating activities</b>	<b>(211,954)</b>	<b>(369,269)</b>	<b>(1,665,096)</b>	<b>(1,044,927)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	-	-	(76,687)	(14,216)
<b>Net cash flows used by investing activities</b>	<b>-</b>	<b>-</b>	<b>(76,687)</b>	<b>(14,216)</b>
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares	859,092	-	1,041,949	408,600
Issue costs	(40,101)	(500)	(52,951)	(13,199)
Issuance of promissory note	-	-	200,000	-
Repayment of promissory note	(200,000)	-	(200,000)	-
<b>Net cash flows provided by financing activities</b>	<b>618,991</b>	<b>(500)</b>	<b>988,998</b>	<b>395,401</b>
<b>NET CHANGE IN CASH</b>	<b>407,037</b>	<b>(369,769)</b>	<b>(752,785)</b>	<b>(663,742)</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b>274,525</b>	<b>882,724</b>	<b>1,434,347</b>	<b>1,176,697</b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ 681,562</b>	<b>\$ 512,955</b>	<b>\$ 681,562</b>	<b>\$ 512,955</b>
<b>Supplemental Information</b>				
Shares issued for mineral property	\$ -	\$ -	\$ -	\$ 65,000

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

# **MURCHISON MINERALS LTD.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**September 30, 2020 and 2019**

(Expressed in Canadian Dollars)

(Unaudited)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The condensed interim consolidated financial statements were approved by the Board of Directors on November 24, 2020.

Following the declaration on March 11, 2020 of a global pandemic related to COVID-19 by the World Health Organization, the restrictions imposed by governments around the world have had a significant impact on the global economy and commodity prices. While the extent of the impact is unknown, we anticipate this outbreak will continue to cause investment market volatility, supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's operations and ability to finance its operations. Following these events, the Company has taken and will continue to take action to ensure the safety of its workers and minimize the financial impact.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at September 30, 2020, the Company has a cumulative deficit of \$30,999,962 (December 31, 2019 - \$29,434,152), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### *Statement of compliance*

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of consolidation*

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

*Exploration and evaluation properties*

The acquisition costs of exploration and evaluation properties are expensed the condensed interim consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Administrative expenditures are expensed in the period incurred.

*Property and equipment*

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Buildings	20 years	Straight-line
Computer equipment	3 years	Straight-line
Office equipment	5 years	Straight-line

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian Dollars)

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### 3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at September 30, 2020 totalled \$523,543 (December 31, 2019 - \$1,245,668). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2020. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

### 4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended September 30, 2020.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and, from time to time, refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had a cash balance of \$681,562 (December 31, 2019 - \$1,434,347) to settle accounts payable and accrued liabilities of \$270,314 (December 31, 2019 - \$35,769). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

#### *Market risk*

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

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**4. FINANCIAL RISK FACTORS (Continued)**

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

*Commodity price risk*

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at September 30, 2020, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

*Sensitivity analysis*

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

- (i) Based on cash balances earning interest at September 30, 2020, a 1% change in interest rates would result in a corresponding interest income change of approximately \$6,300 for the one-year period.

**5. CATEGORIES OF FINANCIAL INSTRUMENTS**

	<b>September 2020</b>	<b>December 2019</b>
<b>Financial assets:</b>		
Amortized cost		
Cash	\$ 681,562	\$ 1,434,347
FVPL		
Investment	4,177	2,196
<b>Financial liabilities:</b>		
Amortized cost		
Accounts payable and accrued liabilities	\$ 270,314	\$ 35,769

As of September 30, 2020 and December 31, 2019, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

# MURCHISON MINERALS LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

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### 6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	September 2020	December 2019
Sales tax receivable	\$ 49,298	\$ 20,478
Prepaid expenses and advances	60,656	143,709
	\$ 109,954	\$ 164,187

### 7. INVESTMENT

The Company's investment is classified as fair value through profit and loss ("FVPL") and is carried at fair value. The balance is comprised of the following:

	Number of shares	September 2020	December 2019
First Mining Gold Corp.	8,612	\$ 4,177	\$ 2,196

The Company holds 8,612 (2019 – 8,612) common shares of First Mining Gold Corp. The unrealized gain of \$1,981 for the nine month period ended September 30, 2020 (September 30, 2019 – \$nil) was recognized on the condensed interim consolidated statement of loss.

### 8. PROPERTY AND EQUIPMENT

	Buildings	Exploration Equipment	Total
<b>Balance December 31, 2018</b>	\$ -	\$ -	\$ -
<b>Acquisitions</b>	-	14,216	14,216
<b>Balance September 30, 2019 (net book value)</b>	\$ -	\$ 14,216	\$ 14,216
<b>Balance December 31, 2019</b>	\$ -	\$ 11,056	\$ 11,056
Acquisition	48,866	27,821	76,687
Amortization for the period	(1,541)	(10,509)	(12,050)
<b>Balance September 30, 2020 (net book value)</b>	\$ 47,325	\$ 28,368	\$ 75,693

### 9. EXPLORATION AND EVALUATION PROPERTIES

#### *Canada*

#### Brabant Lake Property – Saskatchewan

As at September 30, 2020, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

#### HPM Property - Quebec

As at September 30, 2020, the Company holds a 100% in 109 claims forming the nickel-copper-cobalt HPM property.

In March 2019, the Company acquired the 50% interest held by then joint venture partner Pure Nickel Inc. in the HPM property (51 claims in March 2019). The Company paid \$50,000 and issued 500,000 common shares of the Company valued at \$65,000 to Pure Nickel Inc.

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**10. SHARE CAPITAL**

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	<b>Number</b>		<b>Amount</b>
<b>Balance - December 31, 2018</b>	<b>44,209,881</b>	<b>\$</b>	<b>28,895,886</b>
Issuance of common shares <sup>(i)</sup>	500,000		65,000
Issuance of flow-through common shares <sup>(ii)</sup>	3,714,545		408,600
Issue costs <sup>(ii)</sup>	-		(12,699)
Flow-through premium <sup>(ii)</sup>	-		(130,009)
<b>Balance – September 30, 2019</b>	<b>48,424,426</b>	<b>\$</b>	<b>29,226,778</b>

<sup>(i)</sup> On March 5, 2019, the Company completed the acquisition of the remainder 50% interest in the nickel-copper-cobalt HPM property held by joint venture partner Pure Nickel Inc. by making a cash payment of \$50,000 and issued 500,000 common shares of the Company valued at \$65,000 to Pure Nickel Inc.

<sup>(ii)</sup> On June 19 and 27, 2019, the Company completed a non-brokered flow-through private placement and issued 3,714,545 flow-through common shares priced at \$0.11 per share for gross proceeds of \$408,600 of which, \$130,009 was allocated to the flow-through premium. Finders' fees of \$3,000 were also paid.

Officers of the Company acquired 260,000 flow-through common shares for gross proceeds of \$28,600 (see Note 13(c)).

<b>Balance - December 31, 2019</b>	<b>64,688,449</b>	<b>\$</b>	<b>29,934,685</b>
Issuance of common shares <sup>(iv)</sup>	6,614,600		429,949
Issuance of flow-through common shares <sup>(iii) (iv)</sup>	7,435,714		612,000
Issue costs <sup>(iii) (iv)</sup>	-		(43,211)
Warrants <sup>(iv)</sup>	-		(182,760)
Flow-through premiums <sup>(iii) (iv)</sup>	-		(145,313)
<b>Balance – September 30, 2020</b>	<b>78,738,763</b>	<b>\$</b>	<b>30,605,350</b>

<sup>(iii)</sup> On June 24, 2020, the Company completed a non-brokered flow-through private placement and issued 2,285,714 flow-through common shares priced at \$0.0875 per share for gross proceeds of \$200,000 of which, \$17,143 was allocated to the flow-through premium. Finders' fees of \$12,000 were also paid.

<sup>(iv)</sup> On July 23 and August 13, 2020, the Company completed two tranches of a non-brokered private placement for gross proceeds of \$841,949. The Company issued 6,614,600 common share units at a price of \$0.065 per unit and issued 5,150,000 flow-through units at a price of \$0.08 per FT unit. Each common share unit consisted of one common share of the Company and one full common share purchase warrant. Each warrant entitles the holder to acquire one additional common share for a period of eighteen months at an exercise price of \$0.12 per warrant. Each FT unit consisted of one flow-through common share and one-half non flow-through common share purchase warrant with each full warrant being exercisable under the same terms. Finders' fees of \$29,910 were paid in relation to the private placement and \$128,170 was allocated to the flow-through premium.

The fair value of the warrants was estimated at \$182,760 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 147% based on historical trading of the Company's shares, risk-free interest rate of 0.26%, expected life of 1.5 years and share price of \$0.045.

An officer and a director of the Company acquired, in aggregate, 4,000,000 units and 500,000 flow-through units for gross proceeds of \$300,000 (see Note 13(c)).

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## Notes to the Condensed Interim Consolidated Financial Statements

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### 11. WARRANTS

The following summarizes the warrants activity for the nine month periods ended September 30, 2020 and 2019:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
<b>Balance - December 31, 2018 and September 30, 2019</b>	<b>4,844,970</b>	<b>\$ 458,456</b>	<b>\$ 0.24</b>
<b>Balance - December 31, 2019</b>	<b>16,264,023</b>	<b>\$ 212,475</b>	<b>\$ 0.10</b>
Issued July and August, 2020 - Warrants	9,189,600	182,760	0.12
Issue costs	-	(9,740)	-
<b>Balance – September 30, 2020</b>	<b>25,453,623</b>	<b>\$ 385,495</b>	<b>\$ 0.11</b>

As at September 30, 2020, the Company had warrants outstanding as follows:

Date of Grant	Number of Warrants	Exercise Price (\$)	Grant Date Fair Value (\$)	Expiry Date	Weighted Average Remaining Contractual Life (years)
December 12, 2019	16,264,023	0.10	212,475	December 12, 2020	0.13
July 23, 2020	8,552,100	0.12	161,012	January 23, 2022	1.32
August 13, 2020	637,500	0.12	12,008	February 13, 2022	1.38
	<b>25,453,623</b>		<b>385,495</b>		<b>0.60</b>

### 12. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the nine month periods ended September 30, 2020 and 2019:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance - December 31, 2018</b>	<b>3,502,800</b>	<b>\$ 0.30</b>
Granted <sup>(i)</sup>	665,000	0.095
Expired	(1,753,900)	0.36
<b>Balance – September 30, 2019</b>	<b>2,413,900</b>	<b>0.20</b>
<b>Balance - December 31, 2019</b>	<b>5,155,000</b>	<b>\$ 0.12</b>
Granted <sup>(ii)</sup>	400,000	0.10
<b>Balance – September 30, 2019</b>	<b>5,555,000</b>	<b>0.20</b>

<sup>(i)</sup> On March 6, 2019, the Company granted 665,000 stock options exercisable at \$0.095 for 5 years to directors, officers and consultants of the Company. The grant date fair value of these options of \$61,180 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 1.69%, expected volatility – 186%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately

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and the \$61,180 fair value was recorded as share-based payment on the condensed interim consolidated statement of loss for the period ended September 30, 2019.

(ii) On July 20, 2020, the Company granted 400,000 stock options exercisable at \$0.10 for 5 years to an investor relation consultants of the Company. The grant date fair value of the these options of \$23,200 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 0.34%, expected volatility – 116%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options are vesting over 1 year with 25% every 3 months. The fair value of the options will be recognized based on the vesting periods startin in Q4, 2020.

As at September 30, 2020, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

<b>Date of Grant</b>	<b>Options Outstanding<sup>(1)</sup></b>	<b>Exercise Price (\$)</b>	<b>Grant Date Fair Value (\$)</b>	<b>Expiry Date</b>	<b>Weighted Average Remaining Contractual Life (years)</b>
September 27, 2016	305,000	0.30	75,945	September 27, 2021	0.99
January 10, 2018	885,000	0.19	151,335	January 10, 2023	2.28
March 6, 2019	665,000	0.095	61,180	March 6, 2024	3.43
December 23, 2019	3,300,000	0.085	244,200	December 23, 2024	4.23
July 20, 2020	400,000	0.10	23,200	July 20, 2025	4.81
	<b>5,555,000</b>	<b>0.12</b>	<b>555,860</b>		<b>3.69</b>

<sup>(1)</sup>All options are exercisable, except for the 400,000 granted on July 20, 2020 which vest 25% every 3 months from grant date.

**13. RELATED PARTY TRANSACTIONS**

a) *Remuneration of directors and officers was as follows:*

	<b>Three months ended September 30</b>		<b>Nine months ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Salaries and benefits	\$ 46,513	\$ 26,228	\$ 165,500	\$ 143,733
Share-based payments	-	-	-	59,340
	<b>\$ 46,513</b>	<b>\$ 26,228</b>	<b>\$ 165,500</b>	<b>\$ 203,073</b>

For the three month period ended September 30, 2020, the salaries and benefits amount above includes \$21,313 (Q3-2019 - \$15,563) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$25,200 (Q3-2019 - \$10,665) for fees invoiced by the CEO of the Company for his services as CEO.

For the nine month period ended September 30, 2020, the salaries and benefits amount above includes \$73,437 (2019 - \$67,188) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$92,063 (2019 - \$76,545) for fees invoiced by the CEO of the Company for his services as CEO. Included in accounts payable and accrued liabilities at September 30, 2020 is \$5,884 (December 31, 2019 - \$nil) owed to the corporation controlled by the CFO and \$11,482 (December 31, 2019 - \$15,013) to the CEO.

**MURCHISON MINERALS LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**September 30, 2020 and 2019**  
(Expressed in Canadian Dollars)  
(Unaudited)

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**13. RELATED PARTY TRANSACTIONS (Continued)**

*b) Promissory Note*

On March 27, 2020, the Company issued a \$200,000 promissory note to Vyco Limited (“Vyco”). The amount owing under this Promissory Note bore interest at an annual rate of 5.0% and, in the event that the principal amount was not repaid in full by the due date of June 30, 2020, the interest accrued at the rate of 10% per annum from the due date until payment was effected. Vyco is a corporation controlled by a family trust. Mr. Donald K. Johnson, director of the Company, is a discretionary beneficiary of such trust and President of Vyco. The Promissory Note was repaid on September 9, 2020 along with interest of \$6,493.

*c) Private Placements*

As part of the private placement completed in June 2019, officers of the Company acquired 260,000 flow-through common shares for gross proceeds of \$28,600. Also, an officer and a director of the Company acquired, in aggregate, 4,000,000 units and 500,000 flow-through units for gross proceeds of \$290,000 in the private placement closed on July 23, 2020. (See Note 10).

**14. COMMITMENTS AND CONTINGENCIES**

*Management Contracts*

On April 9, 2020, the Company entered into consulting agreements for the services of its CEO and CFO. The agreements are effective April 1, 2020. Under the agreements, additional payments totaling \$400,000 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these interim condensed consolidated financial statements. The commitment upon termination of the agreements is \$220,000, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$146,400, in aggregate.

*Flow-Through Obligation*

As at September 30, 2020, the Company has to incur \$226,905 in qualifying exploration expenditures by December 31, 2021 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company’s mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

*Environmental*

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**End of Notes to Financial Statements**