GOLDEN CARIBOO RESOURCES LTD.

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

MARCH 31, 2020

These unaudited condensed interim financial statements of
Golden Cariboo Resources Ltd. for the six months ended March 31, 2020
have been prepared by management and approved by the Board of Directors.
These unaudited condensed interim financial statements
have not been reviewed by the Company's external auditors.

GOLDEN CARIBOO RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	March 31, 2020	September 30, 2019
ASSETS		
Current		
Cash	**$ 386**	$ 1,837
Receivables	**1,298**	-
Prepaid expense	**5,535**	5,000
Investments (Note 4)	**-**	21,500
	7,219	28,337
Reclamation bond (Note 5)	**35,000**	35,000
Deposit (Note 10)	**121,553**	220,123
Exploration and evaluation assets (Note 6)	**407,000**	407,000
	$ 570,772	$ 690,460
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Trade payables (Note 10)	**$ 42,303**	$ 32,022
Accrued liabilities (Note 10)	**30,500**	20,000
	72,803	52,022
Shareholders' equity		
Share capital (Note 7)	**12,162,480**	12,162,480
Reserve (Note 7)	**1,758,547**	1,758,547
Other comprehensive income	**-**	-
Deficit	**(13,423,058)**	(13,282,589)
	497,969	638,438
	$ 570,772	$ 690,460

Nature and continuance of operations (Note 1)
Contingency (Note 8)

.

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

GOLDEN CARIBOO RESOURCES LTD.
STATEMENTS OF (LOSS) AND COMPREHENSIVE (LOSS)
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	Three months ended March 31, 2020	Three months ended March 31, 2019	Six months ended March 31, 2020	Six months ended March 31, 2019
EXPENSES				
Consulting (Note 10)	**$ 15,000**	$ 15,000	**$ 30,000**	$ 30,000
Exploration	**4,800**	(900)	**77,981**	40,224
Office and miscellaneous	**4,089**	5,971	**7,031**	10,612
Professional fees (Note 10)	**13,887**	18,837	**16,353**	20,337
Stock based compensation	**-**	56,550	**-**	56,550
Transfer agent and regulatory fees	**7,798**	4,027	**9,658**	5,869
Travel and promotion	**71**	4,102	**71**	5,332
	(45,645)	(103,587)	**(141,094)**	(168,924)
OTHER ITEMS				
Gain on sale of investments (Note 4)	**-**	15,953	**625**	18,391
	-	15,953	**625**	18,391
Net (loss) for the period	**(45,645)**	(87,634)	**(140,469)**	(150,533)
OTHER COMPREHENSIVE INCOME				
Unrealized (loss) on investments (Note 4)	**-**	(11,959)	**-**	(4,470)
Comprehensive (loss) for the period	**$ (45,645)**	$ (99,593)	**$ (140,469)**	$ (155,003)
Basic and diluted (loss) per common share	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Basic and diluted weighted average number of common shares outstanding	**24,850,680**	18,850,680	**24,850,680**	18,850,680

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

GOLDEN CARIBOO RESOURCES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited – prepared by management).

	Share Capital					
	Common Shares	**Amount**	**Deficit**	**Reserve**	**Other Comprehensive Income**	**Total Shareholders' Equity**
Balance, September 30, 2018	18,850,680	$ 11,862,480	$ (13,316,033)	$ 1,701,997	$ 126,793	$ 375,237
Net (loss) for the period	-	-	(150,533)	56,550	-	(62,899)
Change in value of investments (Note 4)	-	-	-	-	(4,470)	7,489
Balance, March 31, 2019	18,850,680	$ 11,862,480	$ (13,466,566)	$ 1,758,547	$ 122,323	$ 267,784
Balance, September 30, 2019	**24,850,680**	**$ 12,162,480**	**$ (13,282,589)**	**$ 1,758,547**	**$ -**	**$ 638,438**
Net (loss) for the period	**-**	**-**	**(140,469)**	**-**	**-**	**(140,469)**
Balance, March 31, 2020	**24,850,680**	**$ 12,162,480**	**$ (13,423,058)**	**$ 1,758,547**	**$ -**	**$ 497,969**

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

GOLDEN CARIBOO RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – prepared by management).

	Six Months Ended March 31 2020	Six Months Ended March 31 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	**$ (140,469)**	$ (150,533)
Items not affecting cash:		
(Gain) loss on sale of investments	**(625)**	(18,391)
Stock based compensation	**-**	56,550
Changes in non-cash working capital items:		
Receivables	**(1,298)**	(2,908)
Prepaids	**(535)**	(13,500)
Accounts payable and accrued liabilities	**20,781**	(4,240)
Net cash used in operating activities	**(122,146)**	(133,022)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset costs	**-**	-
Deposits	**98,570**	(211,000)
Proceeds from sale of investment, net	**22,125**	257,614
Net cash provided by investing activities	**120,695**	46,614
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from share issuances, net of finders fees	**-**	-
Net cash provided by financing activity	**-**	-
Increase (decrease) in cash during the period	**(1,451)**	(86,408)
Cash, beginning of period	**1,837**	86,718
Cash, end of period	**$ 386**	$ 310

Supplemental disclosure with respect to cash flows:

During the period ended March 31, 2019, the Company adjusted its value of investment through other comprehensive income by $Nil (2019 - $4,470).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated in under the *Business Corporations Act* (British Columbia) on September 23, 1987. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The Company's head office, principal address and registered records office is located at 804 – 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7.

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Several conditions cast doubt on the validity of this assumption. The Company has incurred ongoing losses and has an accumulated deficit. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material. The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for certain financial instruments which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

Approval of the financial statements

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 21, 2020.

Comparative figures

Certain comparative figures may have been reclassified to conform with the current presentation.

2. BASIS OF PRESENTATION (continued)

New or revised accounting standards not yet adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 16 - In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not entered into any leases and does not believe the new standard will have a material effect on its financial statements.

The Company anticipates that the application of the above new or revised standards, amendments and interpretations will have no material impact on its results and financial position. Disclosure changes are anticipated. Other standards issued by not yet effective were determined to not have an effect on the Company's financial statements.

Critical accounting estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

ii) The recorded value of provision. This amount represents a best estimate of the probable amount payable taking into account available evidence including past history of payments and uncertainty of outflow of future resources.

iii) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

All costs related to the acquisition of exploration and evaluation assets are capitalized on a property by property basis, net of recoveries. Exploration and evaluation costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are expensed to operations as incurred. If economically recoverable ore reserves are developed, capitalized costs of the related property are classified as mining assets and amortized using the unit-of-production method. When a property is abandoned, all related costs are written off to operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values. These costs are depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

From time to time, the Company may acquire or dispose of an exploration and evaluation asset pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of an option of the Company's property are recorded as a reduction of the mineral property cost. The Company recognizes amounts received in excess of the carrying amount in profit or loss.

Although the Company has taken steps to verify the title to exploration and evaluation assets 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 unregistered prior agreements or transfers and title may be affected by undetected defects.

Evaluation and exploration assets are assessed for impairment by management when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible assets

The Company's tangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company computes the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Share-based payments

The Company grants options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in reserves is transferred to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the closing market price of the Company's common shares is initially recorded as a flow-through premium liability and included as a liability. Upon related expenditures being incurred, the Company proportionately derecognizes the liability and recognizes the offsetting amount in profit or loss.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at October 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

Financial asset / liability	**Original classification IAS 39**	**New classification IFRS 9**
Cash	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Investments	Available for sale (FVTOCI)	FVTPL
Trade payables	Amortized cost	Amortized cost

Upon adoption of IFRS 9, the Company elected to classify investments as FVTPL. The Company did not restate prior periods, but recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period that includes the date of initial application. Therefore, the adoption of IFRS 9 resulted in a decrease to the opening accumulated deficit on October 1, 2018 of $126,793 with a corresponding adjustment to other comprehensive income.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. INVESTMENTS

Investments consist of common shares of Barkerville Gold Mines Ltd. ("Barkerville").

	March 31, 2020		September 30, 2019	
	Number of shares	**Market Value**	Number of shares	Market Value
Barkerville	**Nil**	**$Nil**	50,000	$21,500

During the period ended March 31, 2020, the Company sold 50,000 common shares of Barkerville for net proceeds of $22,125 recognizing a gain on sale of share of $625.

During the year ended September 30, 2019, the Company sold 861,893 common shares of Barkerville for net proceeds of $360,420 recognizing a gain on sale of shares of $28,741. The Company recognized an unrealized market-to-market gain of $2,000 on the statement of loss.

5. RECLAMATION BONDS

The Company has a reclamation bond held in trust by the Ministry of Energy and Mines, British Columbia. As at December 31, 2019, the reclamation bonds consisted of a deposit of $35,000 made by the Company for indemnification of site restoration of the Company's Quenelle Gold Quartz Mine property (Note 6).

6. EXPLORATION AND EVALUATION ASSETS

Quenelle Gold Quartz Mine property acquisition costs:	
September 30, 2018	$ -
Acquisition costs	407,000
September 30. 2019 and March 31, 2020	$ 407,000

6. EXPLORATION AND EVALUATION ASSETS (continued)

Quenelle Gold Quartz Mine property, B.C.

On May 25th, 2019, the Company signed an option to purchase agreement with Standard Drilling and Engineering Ltd. (“Vendor”), a company controlled by a major shareholder, in which the Company could purchase the Property through the following commitments:

- Issuance of 6,000,000 shares of the Company (issued with a fair value of $300,000) and payment of $27,000 cash (paid) on exchange approval of the agreement to the vendor of the property;
- Payment of $80,000 cash on or before September 30, 2019 (paid) to the titleholders of the underlying claims;
- Payment of $80,000 cash on or before July 22, 2020 to the titleholders of the underlying claims; and
- Payment of $80,000 cash on or before July 22, 2021 to the titleholders of the underlying claims.

If the payments are not made or if the Company wishes to cancel the agreement with 60 days notice, the Company must ensure the property good-to-date is at least 12 months ahead of the termination notice date with no fees against and no refund by the Vendor.

The Quenelle Gold Quartz Mine property (the “Property”) is made up of 8 mineral claims located in the Cariboo Mining Division of British Columbia, 4 km northeast of Hixon, B.C.

7. SHARE CAPITAL

Authorized:

Unlimited common shares without par value

Issued:

During the period ended March 31, 2020, the following shares were issued:

None

During the year ended September 30, 2018, the following shares were issued:

On August 19, 2019, the Company issued 6,000,000 common shares pursuant to an option to purchase agreement with a fair value of $300,000 (Note 6).

Options:

The Company has a rolling stock option plan (the “Plan”) that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant, subject to a minimum exercise price of $0.05 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, September 30, 2018	-	$ -
Granted	1,885,000	0.05
Outstanding and exercisable, September 30, 2019 and March 31, 2020	1,885,000	$ 0.05

As at March 31, 2020, the following options were outstanding:

Number of options	Exercise price	Expiry dates
1,885,000	$ 0.05	January 17, 2021

The weighted average price of outstanding options is $0.05 (March 31, 2018 – $0.05) and the weighted average life of outstanding options is 0.80 years (March 31, 2018 – 1.80).

The stock based compensation expense recognized during the year ended September 30, 2019 was $56,550 (2018 - $Nil). The weighted average fair value of each stock option granted during the year ended September 30, 2019 was $0.03 (2018 - $Nil), calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions: Risk-free interest rate of 1.94%, Expected life of option of 2 years, Expected dividend yield of 0% and Expected stock price volatility of 135%.

Warrants:

Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, March 31 and September 30, 2019	5,000,000	$ 0.075
Expired	(5,000,000)	
Outstanding and exercisable March 31, 2020	-	$ -

The weighted average price of outstanding warrants at March 31, 2019 is $Nil (March 31, 2018 – $0.075) and the weighted average life of outstanding warrants is Nil years (March 31, 2018 – 0.90).

Reserve:

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

8. CONTINGENCY

The Company has been named in a writ to a group of companies and individuals from a self-represented plaintiff claiming unspecified damages. The Company has not yet been served with the writ. The Company believes this action is without merit.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, investments and trade payables. Cash and investments have been designated as FVTPL, receivables as amortized cost, and trade payables are designated at amortized cost. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments. Cash and investments are valued at level 1 of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities including credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. Credit risk on cash is assessed as low. There is nominal risk associated with receivables as this is due primarily from a government agency.

b) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2019. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

10. RELATED PARTY TRANSACTIONS

a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

		2020		2019
Consulting fees	**$**	**30,000**	$	30,000
Professional fees		**3,000**		3,000
Total	**$**	**33,000**	$	33,000

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective periods.

b) At March 31, 2020 the long term deposit of $121,553 (2019 - $220,123) consists of an advance to a company controlled by a major shareholder. The balance will be applied against future transactions with this company that are currently under negotiation.

c) Included in accrued liabilities at March 31, 2020 is $30,500 (2019 - $Nil) due to officers and included in trade payables is $15,257 (2019 - $6,892) due to a major shareholder. These amounts are unsecured, non-interest bearing with no repayment terms.

d) The Company acquired the Quesnelle Gold Quartz Mine property near Hixon British Columbia in the prior year from a company controlled by a significant shareholder of the Company (Note 6).

11. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to help ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period.