NORSEMONT MINING INC.

Annual Consolidated Financial Statements

Three Months Ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

NORSEMONT MINING INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		March 31, 2020		December 31, 2019
Assets				
Current:				
Cash and cash equivalents	$	199,204	$	260,781
Interest receivable		549		-
Goods and services tax receivable		2,302		2,700
Prepaid and deposits		2,000		2,000
Loan receivable		23,500		-
		227,555		265,481
Equipment		1,241		1,288
	$	**228,796**	**$**	**266,769**
Liabilities				
Current:				
Accounts payable	$	(74,747)	$	(86,315)
Accrued liabilities		(59,500)		(29,500)
		(134,247)		(115,815)
Shareholder's equity (deficiency)				
Capital Stock		(5,088,882)		(5,074,882)
Reserves		(273,785)		(273,785)
Deficit		5,268,118		5,197,713
		(94,549)		(150,954)
	$	**(228,796)**	**$**	**(266,769)**

Nature of Operations (Note 1)

The consolidated financial statements were approved by the Board of Directors on May 22, 2020 and were signed on its behalf by:

"Allan Lamour"
Director

"Charles Ross"
Director

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

NORSEMONT MINING INC.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ended March 31, 2020	2019
Administrative Expenses:		
Consulting fees	$ 31,578	$ 31,165
Depreciation	47	47
Office, rent and administration (Note 5)	17,146	12,114
Professional fees (Note 5)	7,000	9,700
Regulatory fees	2,349	4,867
Transfer agent and shareholder communication	675	1,441
Travel	12,159	-
	70,954	59,334
Loss before other items	(70,954)	(59,334)
Other Items:		
Interest income	549	26
	549	26
Comprehensive loss for the period	$ (70,405)	$ (59,308)
Loss per common share - basic and diluted	(0.01)	(0.00)
Weighted average number of common shares outstanding - basic and diluted	13,431,804	11,947,792

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

NORSEMONT MINING INC.

Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share capital				
	Common Shares	Amount	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
	#	$	$	$	$
Balance, December 31, 2018	11,928,162	4,668,526	231,515	(4,901,366)	(1,325)
Shares issued for exercise of w arrants (Note 4)	100,000	7,000	-	-	7,000
Shares issued for exercise of stock options (Note 4)	50,000	4,750	-	-	4,750
Fair market value of stock options exercised (note 4)	-	15,553	(15,553)	-	-
Loss for the period	-	-	-	(59,308)	(59,308)
Balance, March 31, 2018	**12,078,162**	**4,695,829**	**215,962**	**(4,960,674)**	**(48,883)**
Balance, December 31, 2019	13,339,496	5,074,882	273,785	(5,197,713)	150,954
Shares issued for exercise of w arrants (Note 4)	200,000	14,000	-	-	14,000
Loss for the period				(70,405)	(70,405)
Balance, March 31, 2020	**13,539,496**	**5,088,882**	**273,785**	**(5,268,118)**	**94,549**

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

NORSEMONT MINING INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Three months ended March 31, 2020	2019
Operating activities:		
Loss for the year	$ (70,405)	$ (59,308)
Adjustment for non-cash items:		
Depreciation	47	47
Loss on disposal of asset	-	-
Share-based payments	-	-
Change in non-cash w orking capital		
Prepaid expenses and deposits	-	(701)
Receivables	(23,500)	(8,080)
Interest receivable	(549)	-
Goods and services tax receivable	398	-
Accounts payable	(11,568)	42,091
Accrued liabilities	30,000	422
Cash used in operating activities	(75,577)	(25,529)
Investing activities:		
Proceeds from disposal of equipment	-	-
Equipment purchases	-	-
Cash used in investing activities	-	-
Financing activities:		
Shares issued for cash, net of share issuance costs	-	-
Proceeds from exercise of options	-	4,750
Proceeds from exercise of w arrants	14,000	7,000
Cash provided by financing activities	14,000	11,750
Decrease in cash and cash equivalents	(61,577)	(13,779)
Cash and cash equivalents, beginning of year	260,781	20,818
Cash and cash equivalents, end of year	199,204	7,039
Cash and cash equivalents are made up of the follow ing:		
Cash	199,204	7,039
Term Deposits	-	-
Total cash and cash equivalents	$ 199,204	$ 7,039

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

1. Nature of Operations

The Company was incorporated on July 26, 2000 under the Canada Business Corporations Act and continued into BC under the British Columbia Corporations Act on January 30, 2016 as Norsemont Capital Inc. On February 22, 2020, the Company change its name to Norsemont Mining Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in Canada. The Company's common shares are traded on the Canadian Securities Exchange ("Exchange") under the symbol "NOM".

The head office, principal address and records office of the Company are located at Suite 610 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company's registered office address is Suite 700 - 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2020, the Company is not able to finance day to day activities through operations. As at March 31, 2020, the Company had a working capital of $93,308 (December 31, 2019 - working capital of $149,666) and an accumulated deficit of $5,268,118 (December 31, 2018 - $5,197,713). The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. Basis of Presentation and Significant Accounting Policies

(a) Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on an historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Rosswoll Industries Inc., incorporated in British Columbia. All significant intercompany balances and transactions were eliminated on consolidation.

(b) Financial instruments

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.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

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 consolidated statements of 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 consolidated statements of comprehensive loss in the period in which they arise.

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 consolidated statements of 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.

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. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

(c) Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units (“CGU”) for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements. Proceeds received from a partial sale or option of a mineral property interest are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period in which the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(c) Mineral property interests (continued)

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value, taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

(d) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

(ii) Non-financial assets

Non-financial assets are evaluated at each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the CGU level, 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, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed above.

(e) Share capital

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

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

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

2. Basis of Presentation and Significant Accounting Policies (Continued)

(f) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to officers, directors, consultants and related company employees to acquire shares of the Company. The fair value of the options is measured on the grant date and is recognized as an expense with a corresponding increase in reserves as the options vest. Options granted to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. On vesting, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital. When options are cancelled or expired, the initial recorded value is reversed and charged to deficit.

(g) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the future decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using pretax rates that reflect the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each period-end for the unwinding of the discount rate, for changes to the current market-based discount rate and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs related to its mineral property interest.

(h) Income taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(i) Loss per share

The Company presents basic and diluted loss per share ("LPS") data for its common shares. Basic LPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted LPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all dilutive potential common shares related to outstanding stock options and warrants issued by the Company.

(j) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on investments classified as FVTOCI, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss and components of other comprehensive income are presented in the consolidated statements of comprehensive loss and the consolidated statements of changes in equity.

(k) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

(l) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Fair value measurement of stock-based payments

The Company measures equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them.

(ii) Measurement of deferred tax assets and liabilities

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(ii) Measurement of deferred tax assets and liabilities (continued)

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Judgments

(m) Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the years ended March 31, 2020 and 2018. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecasts and access to replacement financing for the future twelve months.

3. New Accounting Standards and Interpretations

Accounting Standards Issued But Not Yet Applied

Leases
On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has determined that the adoption of the new accounting standard will not have a material impact on the consolidated financial statements.

4. Share Capital and Reserves

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued share capital

As at March 31, 2020, there were 13,539,496 issued and fully paid common shares (December 31, 2019 – 13,339,496).

During the three months ended March 31, 2020, a total of 200,000 warrants were exercised for gross proceeds of $14,000.

During the year ended December 31, 2019, a total of 100,000 warrants were exercised for gross proceeds of $7,000.

During the year ended December 31, 2019, a total of 56,667 stock options were exercised for gross proceeds of $5,217. There was a fair market value of $18,744 transferred from reserves to share capital for the exercise cost of the stock options exercised.

(Expressed in Canadian Dollars)

4. Share Capital and Reserves (Continued)

(b) Issued share capital (Continued)

On May 27, 2019, the Company closed a private placement financing, issuing 1,104,667 units at a price of $0.30 per unit for gross proceeds of $331,400. Each unit consisted of one common share in the capital of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share of the Company at a price of $0.40 per share for a period of one year from the date of issuance. On June 14, 2019 the second tranche of the private placement closed, issuing 150,000 units at a price of $0.30 per unit for gross proceeds of $45,000.

During the year ended December 31, 2018, 500,000 warrants were exercised for gross proceeds of $35,000.

(c) Warrants

The continuity of share purchase warrants issued and outstanding is as follows:

	Warrants	Weighted Average Exercise Price
	#	$
Balance, December 31, 2018	1,860,000	0.07
Issued	627,334	0.40
Exercised	(100,000)	0.07
Balance, December 31, 2019	2,387,334	0.16
Issued	-	-
Exercised	(200,000)	0.07
Balance March 31, 2020	2,187,334	0.16
Weighted average remaining contractual life		0.11 years

Warrants outstanding at March 31, 2020 are as follows:

Exercise Price	Warrants Outstanding	Expiry Date
$	#	
0.07	1,560,000	May 4, 2020
0.40	552,334	May 27, 2020
0.40	75,000	June 13, 2020

(d) Stock options

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the plan have a term not to exceed 10 years and vesting periods that range from zero to 18 months.

(Expressed in Canadian Dollars)

4. Share Capital and Reserves (Continued)

(d) Stock options (continued)

The continuity of stock options issued and outstanding is as follows:

	Options Outstanding	Weighted Average Exercise Price
	#	$
Balance, December 31, 2018	1,081,000	0.18
Granted	510,000	0.305
Exercised	(56,667)	0.09
Cancelled	(210,000)	0.16
Balance, December 31, 2019	1,324,333	0.24
Granted	-	-
Exercised	-	-
Cancelled	-	-
Balance, March 31, 2020	1,324,333	0.24
Weighted average remaining contractual life		4.47 years

Stock options outstanding at March 31, 2020 are as follows:

Exercise Price	Options Outstanding	Expiry Date	Options Exercisable
$	#		#
0.10	8,333	June 14, 2020	8,333
0.10	15,000	October 5, 2021	15,000
0.07	114,000	October 25, 2021	114,000
0.32	50,000	February 2, 2022	50,000
0.40	40,000	April 27, 2023	40,000
0.10	40,000	March 20, 2024	40,000
0.305	510,000	July 2, 2024	510,000
0.18	437,000	October 30, 2025	437,000
0.28	110,000	November 2, 2026	110,000
	1,324,333		1,324,333

During the period ended March 31, 2020, the Company granted nil (2019 - 510,000) stock options. The Company recorded share-based payments of nil (2018 - $96,781) for stock options granted during the year.

The fair values of the stock options granted during the period ended March 31, 2020 and the year ended December 31, 2019 were estimated using the Black-Scholes option pricing model, with the following weighted average assumptions:

	2020	2019
Risk free interest rate	-	1.33%
Expected dividend yield	-	0%
Expected stock price volatility	-	76.78%
Expected life	-	5 years

The weighted average fair value of options granted during the period ended March 31, 2020 was nil (2019 - $0.19) per option.

(Expressed in Canadian Dollars)

4. Share Capital and Reserves (Continued)

(e) Stock option reserve

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

5. Related Party Balances and Transactions

(a) Related party transactions

The Company incurred the following transactions with companies having directors or officers in common:

	Three months ended March,	
	2020	**2019**
	$	$
Office, rent and administration	36,117	7,028
Professional fees - Accounting and corporate secretarial services[1]	7,350	-
	35,853	7,028

[1] Professional fees paid to a company controlled by the CFO of the Company for accounting and corporate secretarial services provided.

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its Directors, Chief Executive Officer and Chief Financial Officer.

(b) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its Directors, Chief Executive Officer and Chief Financial Officer. No management compensation was incurred during the period ended March 31, 2020 (2019 - $Nil).

(c) Related party balances

The following related party amounts are included in prepaid expenses and deposits:

	March 31, 2020	December 31, 2019
	$	$
Company having directors and officers in common	2,000	2,000

The following related party amounts are included in accounts payable:

	March 31, 2020	December 31, 2019
	$	$
Company having directors and officers in common	276	2,487

6. Financial Instruments and risk Management

a) Fair value of financial instruments

At March 31, 2020, the Company's financial instruments consist of cash and cash equivalents and accounts payable. The carrying values of these financial instruments approximates their fair values due to their short-term nature.

b) Financial instrument risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

Credit risk
Credit risk exposure primarily arises with respect to the Company's cash and interest receivable. The Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables. Credit risk is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at March 31, 2020, the Company had cash, cash equivalents and amounts receivable of $225,555 to settle current liabilities of $134,247 which primarily consisted of short-term accounts payable. Liquidity risk is assessed as low.

Market risk
Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company has no foreign exchange rate risk as all amounts are denominated in Canadian dollars. The Company also holds no financial instruments that expose it to other price risk.

Interest rate and commodity price risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

7. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt or sell assets to settle liabilities.

The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company has no debt and is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the period ended March 31, 2020.

8. Subsequent Events

COVID-19
On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Canada and around the world. As of the date of this report, the Company has experienced a disruption while they closed their offices. All employees were working remotely. The Company has obtained new projects during the global pandemic.
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8. Subsequent Events (continued)

Although management cannot be certain of the impact of the pandemic on the financial statements and the duration of such a disruption at the date of the report, management does believe the implication will be temporary and that the Company will be able to continue its operations. As a result, management is unable to estimate the potential impact on the business as of the date of this report.

On April 4, 2020, 1,560,000 warrants were exercised at $0.07 for gross proceeds of $109,200

On April 29,2020, 114,000 options were exercised at $0.07 for gross proceeds of $ 7,980.

On May 6, 2020, the Company has been granted the option to acquire a 100-per-cent interest in the Burge Lake gold property, located in the province of Quebec, pursuant to an option agreement dated May 4, 2020, with La Croix Exploration Ltd.

On May 6, 2020, the Company announced that it has granted 85,000 incentive stock options to certain directors, officers, employees and contractors of the Company, at an exercise price of $0.49 per common share for a period of five years expiring on May 25, 2025.

On May 19, 2020, the company has entered into a letter agreement dated May 19, 2020, with Tavros Gold Corp., an arm's-length private British Columbia corporation, whereby the company has agreed to acquire all of the issued and outstanding shares of Tavros from the shareholders thereof. Tavros holds the exclusive right to acquire all of the shares of Sociedad Contractual Minera Vilacollo, a private Chilean corporation (" Vilacollo ") which holds a 100% interest in the Choquelimpie gold/silver project in Northern Chile (the " Project ").

Inversiones Alxar S.A. (" Alxar "), a wholly-owned subsidiary of the Chilean conglomerate Empresas Copec (BCS: COPEC), currently holds all of the issued and outstanding shares of Vilacollo. The transaction constitutes an Acquisition pursuant to Section 3 of Policy 6 of the Policies of the Canadian Securities Exchange (the " CSE ").

The transaction is proposed to be structured as a share exchange pursuant to a definitive share purchase agreement, whereby the Company will acquire all of the shares of Tavros from the Tavros Shareholders in consideration for aggregate cash payments of US$3.3 million (broken down into various property acquisition and other payments payable over 18 months) and the issuance of 15 million common shares in the capital of the Company (each, a " Share ").

Closing of the transaction is subject to: (i) Norsemont completing its due diligence review on Tavros, Vilacollo and the Project or before June 30, 2020; (ii) receipt of all regulatory approvals with respect to the transaction; and (iii) closing of the Financing (as defined below).

Pursuant to the terms of the Agreement, the Company has agreed to appoint Cesar Lopez to its board of directors as an additional board member resulting in 4 directors of the Company on the Closing Date. No additional changes to the Company's board or management team are anticipated at this time.

On May 20, 2020, the Company announced a non-brokered private placement financing of up to CDN$3,000,000 in units of the Company (each, a " Unit ") at a price of CDN$0.40 per Unit (the " Financing "), subject to an overallotment option of up to an additional 10% of the Financing. The Company may elect to close the Financing in one or more tranches.

Each Unit consists of one Share and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional Share at a price of CDN$0.75 for a period of one (1) year from the closing date of the Financing, subject to an acceleration provision whereby if the Shares trade at a price on the CSE (or such other exchange on which the Shares may be traded at such time) (the "Exchange") of CDN$1.00 or greater per Share for a period of 10 consecutive trading days after four months and one day from the closing of the Offering, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of Warrants) and, in such case, the Warrants will expire on the 31st day after the date of such notice.

Proceeds from the Financing are intended to be used in connection with the transaction, including property purchase and other payments required under the Agreement, professional fees, due diligence expenses and technical expenses including geological reports.