LE MARE GOLD CORP.

Condensed Interim Consolidated Financial Statements

Period Ended March 31, 2020

(Expressed in Canadian dollars)

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

**NOTICE OF NON AUDITOR'S REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying Condensed Interim Consolidated Financial Statements for Le Mare Gold Corp. (the"Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The accompanying condensed interim consolidated unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management

LE MARE GOLD CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2020 $	December 31, 2019 $
Assets		
Current assets		
Cash	816	108,095
GST receivable	16,505	11,365
Prepaid expenses	–	5,000
Total current assets	17,321	124,460
Non-current assets		
Reclamation deposit	11,000	11,000
Total non-current assets	11,000	11,000
Total assets	28,321	135,460
Liabilities and shareholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 5)	129,984	99,580
Loans payable (Note 4)	147,550	47,750
Total current liabilities	277,534	147,330
Shareholders' equity (deficit)		
Share capital	7,583,205	7,583,205
Share-based payment reserve	588,320	588,320
Share subscriptions receivable (Note 6)	–	(15,000)
Warrants reserve	1,691,332	1,691,332
Deficit	(10,112,070)	(9,859,727)
Total shareholders' equity (deficit)	(249,213)	(11,870)
Total liabilities and shareholders' equity (deficit)	28,321	135,460

Nature and continuance of operations (Note 1)

Approved and authorized for issuance by the Board of Directors on July 15, 2020:

/s/ "Yari Nieken"

Yari Nieken, Director

/s/ "Bryson Goodwin"

Bryson Goodwin, Director

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

LE MARE GOLD CORP.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Period ended March 31, 2020 $	Period ended March 31, 2019 $ (Restated – Note 11)
Expenses		
Consulting fees (Note 5)	5,000	26,571
Costs incurred related to potential acquisition	170,874	–
General and administrative	16,288	18,231
Investor relations	1,666	31,146
Management fees (Note 5)	27,262	27,000
Professional fees	19,526	9,706
Transfer agent and filing fees	9,978	11,717
Travel	1,749	4,089
Total expenses	252,343	128,460
Loss before other income (expense)	(252,343)	(128,460)
Other income (expense)		
Interest expense	–	(98)
Total other income (expense)	–	(98)
Net loss and comprehensive loss	(252,343)	(128,558)
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average shares outstanding	29,643,616	17,643,616

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

LE MARE GOLD CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Warrants reserve	Share subscriptions receivable	Deficit	Total shareholders' equity (deficit)
	Number	Amount $	$	$	$	$	$
Balance, December 31, 2018 (Restated – Note 12)	17,643,616	7,364,375	588,320	1,643,430	–	(8,455,440)	807,417
Net loss for the year	–	–	–	–	–	(128,558)	(128,558)
Balance, March 31, 2019	17,643,616	7,364,375	588,320	1,643,430	–	(9,988,285)	(392,160)
Balance, December 31, 2019	29,643,616	7,583,205	588,320	1,691,332	(15,000)	(9,859,727)	(11,870)
Share subscriptions receivable	–	–	–	–	15,000	–	15,000
Net loss for the year	–	–	–	–	–	(252,343)	(252,343)
Balance, March 31, 2020	29,643,616	7,583,205	588,320	1,691,332	–	(10,112,070)	(249,213)

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

LE MARE GOLD CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Period ended March 31, 2020 $	Period ended March 31, 2019 $
Operating activities		
Net loss	(252,343)	(128,558)
Changes in non-cash working capital items:		
GST receivable	(5,140)	(5,103)
Prepaid expenses	5,000	10,750
Accounts payable and accrued liabilities	30,404	77,729
Net cash used in operating activities	(222,079)	(45,182)
Financing activities		
Proceeds from loans payable	99,800	–
Proceeds from issuance of common shares	15,000	–
Net cash provided by financing activities	114,800	–
Change in cash	(107,279)	(45,182)
Cash, beginning of year	108,095	47,016
Cash, end of year	816	1,834

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

1. Nature and Continuance of Operations

Le Mare Gold Corp. (the "Company") was incorporated in the province of British Columbia on March 9, 2010 as Signal Exploration Inc. The Company changed its name to Southern Lithium Corp. in October 2016 and then to Le Mare Gold Corp. in February 2018. The Company is a resource exploration company that is in the business of acquiring and exploring mineral properties. The Company's registered address is 2831 Wembley Drive, North Vancouver, BC, V7J 3B8.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These condensed interim 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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. For the period ended March 31, 2020, the Company has not generated any revenue and incurred negative cash flow from operations. As at March 31, 2020, the Company has a working capital deficit of $260,214 and an accumulated deficit of $10,112,070. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, and/or private placements of common shares. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 1178796 B.C. Ltd. All significant inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(b) Application of New IFRS

IFRS 16, Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted IFRS 16 effective January 1, 2019, using the modified retrospective method, with no significant impact on the Company's consolidated financial statements.

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

The application of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(f) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

2. Significant Accounting Policies (continued)

(f) Exploration and Evaluation Expenditures(continued)

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

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

Farm outs

The Company does not record any expenditures made by the farmee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

(g) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged in the consolidated statement of operations over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The obligation is increased for the accretion and the corresponding amount is recognized in the consolidated statement of operations.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the consolidated statement of operations.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

As at March 31, 2020 and December 31, 2019, the Company has no material restoration, rehabilitation, and environmental obligations.

2. Significant Accounting Policies (continued)

(h) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

2. Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(i) Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2. Significant Accounting Policies (continued)

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Flow-Through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced to flow through share investors, the deferred income tax liability associated with the renounced tax deductions is recognized through the consolidated statement of operations with a pro-rata portion of the deferred premium.

(l) Reclassifications

Certain of the prior period amounts have been reclassified to conform to the current period’s presentation.

(m) Loss Per Share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

2. Significant Accounting Policies (continued)

(n) Share-based Payments

The Company grants share-based awards to employees, directors, and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of operations with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(o) Comprehensive Loss

Comprehensive income (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 are not included in the consolidated statement of operations. The Company does not have items representing comprehensive income or loss.

(p) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets

	Le Mare Property $
Acquisition costs:	
Balance, December 31, 2018	900,000
Impairment	(900,000)
Balance, December 31, 2019	–
Exploration costs:	
Balance, December 31, 2018	198,643
Impairment	(198,643)
Balance, December 31, 2019	–
Carrying amounts:	
Balance, December 31, 2018	1,098,643
Balance, December 31, 2019	–

Le Mare Property

On March 11, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 12 mineral claims located in the Nanaimo Mining Division. Under the terms of the agreement, the Company issued 5,000,000 common shares with a fair value of $850,000 and pay $50,000 to the optionor. In addition, the Company agreed to pay an additional $200,000 and incur at least $100,000 in exploration expenditures on the property on or before March 11, 2021 (incurred). The optionor retains a 3% net smelter return (“NSR”) royalty on the property. The Company may purchase one-half of the NSR royalty by paying the optionor $1,500,000.

During the year ended December 31, 2019, the Company decided to terminate the mineral property option agreement due to poor drilling results. As a result, the Company recorded an impairment loss of $1,098,643.

4. Loans Payable

(a) As at March 31, 2020, the Company owed $18,000 to a company controlled by the CEO and a significant shareholder of the Company, which is unsecured, non-interest bearing, and due on demand.

(b) As at March 31, 2020, the Company owed $29,750 to the father of the CEO of the Company which is unsecured, bears interest at 15% per annum, and is due on demand.

(c) As at March 31, 2020, the Company owed $70,000 to the CEO of the Company which is unsecured, bears interest at 10% per annum, and is due 12 July, 2020.

(d) As at March 31, 2020, the Company owed $8,800 to a significant shareholder of the Company, which is unsecured, bears interest at 10% per annum and is due 18 July, 2020.

(e) As at March 31, 2020, the Company owed $21,000 to a company controlled by common key personnel which is unsecured, non-interest bearing, and due on demand.

5. Related Party Transactions

(a) As at March 31, 2020, the amount of $5,956 is owed to the President of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.

(b) As at March 31, 2020, the amount of $13,125 is owed to a company controlled by the CFO of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2020, the Company incurred management fees of $19,762 to a company controlled by the CFO of the Company.

(c) As at March 31, 2020, the amount of $5,250 is owed to a company controlled by the Corporate Secretary of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2020, the Company incurred management fees of $7,500 to the Company controlled by the Corporate Secretary of the Company.

6. Share Capital

Authorized: Unlimited common shares without par value.

Share transactions for the period ended March 31, 2020:

Nil.

Share transactions for the year ended December 31, 2019:

(a) On November 5, 2019, the Company issued 12,000,000 units at a price of $0.05 per unit for proceeds of $600,000, of which $15,000 was receivable as at December 31, 2019. Each unit consisted of one common share and one-half of one transferable share purchase warrant, with each whole share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $0.40 per share for a period of 18 months, subject to accelerated expiry. The fair value of the share purchase warrants issued of $47,902 was allocated to warrants reserve.

(Expressed in Canadian dollars)

7. Stock Options

Pursuant to the Company's stock option plan, the Company may grant stock options to directors, senior officers, employees, and consultants. The maximum aggregate number of common shares which may be reserved for issuance as optioned shares at any time is 10% of the issued common shares. The exercise price of any stock options granted under the plan shall be determined by the Board, but may not be less than the market price of the common shares on the TSX-V on the date of grant (less any discount permissible under TSX-V rules), subject to a minimum exercise price of $0.10 per share. The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed five years. The plan contains no vesting requirements, but permits the Board to specify a vesting schedule at its discretion.

No stock options were granted in the period ended 31 March, 2020 or the year ended 31 December 2019.

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2018	6,879,744	0.44
Issued	6,000,000	0.04
Expired	(499,528)	3.50
Balance, December 31, 2019 and March 31, 2020	12,380,216	0.30

As at March 31, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
6,380,216	0.20	December 31, 2020
6,000,000	0.40	May 5, 2021
12,380,216		

9. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, GST receivable, and accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and GST receivable. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. GST receivable consists of GST refunds due from the Government of Canada.

(c) Interest Rate 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. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(d) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

9. Financial Instruments and Risk Management (continued)

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(Expressed in Canadian dollars)

10. Capital Management

The Company's capital structure consists of cash and equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

11. Restatement

As per the audited consolidated financial statements for the year ended December 31, 2019, the Company has reclassified rent to general and administrative. The impact on total expenses is nil and is summarized below:

Consolidated Statement of Operations and Comprehensive Loss

	Period ended March 31, 2019		
	As reported $	Adjustment $	As restated $
General and Administrative	3,231	15,000	18,231
Rent	15,000	(15,000)	–
Total Expenses	18,231	–	18,231