MONTEREY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Monterey Minerals Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Monterey Minerals Inc. (the Company), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $3,173,896.06 during the year ended December 31, 2019. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
June 10, 2020

MONTEREY MINERALS INC.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	**December 31, 2019**	**December 31, 2018**
Assets		
Current assets		
Cash and cash equivalents	$ 70,799	$ 328,685
Loan receivable (note 5)	10,018	21,000
Prepaid expenses and deposits	28,577	25,212
Government remittance recoverable	58,057	2,341
Total current assets	167,451	377,238
Right-of-use asset (note 7)	41,418	-
Total Assets	$ 208,869	$ 377,238
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 68,581	$ 23,156
Lease liability (note 8)	17,038	-
Loan payable (note 13)	80,641	-
Total current liabilities	166,260	23,156
Non-Current liabilities		
Lease liability (note 8)	28,953	-
Total Liabilities	195,213	23,156
Shareholders' Equity		
Share capital (note 9(b))	3,535,097	1,001,107
Reserves (notes 9 (c) and (d))	357,980	58,500
Accumulated deficit	(3,879,421)	(705,525)
Total shareholders' equity	13,656	354,082
Total Liabilities and Equity	$ 208,869	$ 377,238

Nature of operations and going concern (notes 1 and 2)
Commitments (note 17)
Subsequent events (note 18)

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

Approved by the Board of Directors:

Director: Jame Macintosh

MONTEREY MINERALS INC.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2019 and 2018
(Expressed in Canadian Dollars)

Years ended December 31,	**2019**	**2018**
Expenses		
Mineral acquisition and exploration (note 12)	$ 2,458,458	$ 78,647
Investor relations and communication (note 15)	277,604	-
Share-based payments (note 9)	133,200	58,500
Consulting (note 15)	126,300	42,025
Transfer agent and filing fees	35,047	55,148
General and administration	116,437	39,550
Depreciation of right of use asset (note 7)	17,071	-
Travel	9,779	6,699
Listing expense	-	188,727
Total net loss and comprehensive loss for the year	$ 3,173,896	$ 469,296
Basic and diluted loss per share	$ 0.07	$ 0.03
Weighted average number of shares outstanding	44,423,371	17,484,939

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

MONTEREY MINERALS INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number	Amount	Reserves	Accumulated Deficit	Total
Balance, December 31, 2017	14,438,578	$ 587,094	$ -	$ (236,229)	$ 350,865
Common shares issued on reverse takeover	5,914,478	414,013	-	-	414,013
Share-based payments (note 9)	-	-	58,500	-	58,500
Net loss for the year	-	-	-	(469,296)	(469,296)
Balance, December 31, 2018	20,353,056	$ 1,001,107	$ 58,500	$ (705,525)	$ 354,082
Issuance of common shares - hard dollar	9,993,600	499,680	-	-	499,680
Issuance of common shares for property	27,800,000	2,120,000	-	-	2,120,000
Issuance of common shares - flow through	2,000,000	100,000	-	-	100,000
Share issuance costs	-	(19,410)	-	-	(19,410)
Stock-based payment (note 9)	-	-	133,200	-	133,200
Share warrants (note 9)	-	(166,280)	166,280	-	-
Net loss for the year	-	-	-	(3,173,896)	(3,173,896)
Balance, December 31, 2019	60,146,656	$ 3,535,097	$ 357,980	$ (3,879,421)	$ 13,656

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

MONTEREY MINERALS INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Years ended December 31,	**2019**	**2018**
Operating Activities		
Net loss for the year	$ (3,173,896)	$ (469,296)
Items not affecting cash:		
Share-based payments	133,200	58,500
Listing expense	-	188,727
Depreciation of right-of-use asset	17,071	-
Exploration expenses recognized on asset acquisition	2,301,498	-
Changes in non-cash operating working capital:		
Prepaid expenses and deposits	(3,365)	6,517
Government remittances recoverable	(55,716)	(2,341)
Repayment of lease liabilities	(16,941)	-
Accounts payable and accrued liabilities	45,424	(71,351)
Cash (used in) operating activities	(752,725)	(289,244)
Investing Activities		
Net repayment received on loan receivable	-	9,443
Cash provided by investing activities	-	9,443
Financing Activities		
Cash acquired on RTO	-	273,356
Shares issued	599,680	-
Issuance cost	(19,411)	-
Loan repayment	(85,430)	(518)
Cash provided by financing activities	494,839	272,838
Change in cash during the year	(257,886)	(6,963)
Cash, beginning of the year	328,685	335,648
Cash, end of the year	$ 70,799	$ 328,685

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

1. Nature of operations

Monterey Minerals Inc. (the "Company") was incorporated on May 9, 2014 under the laws of British Columbia, Canada. Its head office is located at 890-1140 West Pender Street, Vancouver, BC, V6E 4G1, Canada. Landsdown Holdings Ltd. (“Landsdown”) is engaged in the business of mineral property exploration and was incorporated pursuant under the laws of British Columbia, Canada on August 9, 2015. Landsdown’s registered office is Suite 2702, 401 Bay Street Toronto, Ontario, M5H 2Y4. The Company’s common shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol MREY.

On June 26, 2018, Monterey Minerals Inc. (“Former Monterey”) and Landsdown completed a share exchange public listing transaction pursuant to a Share Exchange Agreement (the “SEA”). This resulted in the former Landsdown shareholders acquiring control of the Company, after which the Company effected a change in directors, management and business.

Under the terms of the SEA, Former Monterey acquired all of the issued and outstanding common shares of Landsdown based on a 1:1 share exchange ratio. Based on the distribution of shareholdings on completion of the SEA, Landsdown is deemed to be the continuing entity for financial reporting purposes. The transaction constituted a reverse acquisition as more fully described in Note 6.

Prior to the SEA, on October 19, 2016, Former Monterey incorporated four wholly owned subsidiaries: 1093681 BC Ltd., 1093682 BC Ltd., 1093683 BC Ltd., and Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) (“Subcos”) setup for proposed arrangement transactions. Former Monterey set the share distribution record date of a plan of an arrangement at close of business on April 18, 2018 whereby each Subcos would issue 1,010,549 common shares to shareholders of the Company. Blue Aqua Holdings Ltd. was spun out effective June 12, 2018 with the remaining Subcos spun out on August 28, 2018.

During the year ended December 31, 2019, the Company acquired one mineral property interest located in Canada and three mineral property interests located in Australia (note 12).

2. Going concern

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to realized its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements. Such adjustments could be material.

At December 31, 2019, the Company had not yet achieved profitable operations and had accumulated losses of $3,879,421 (December 31, 2018 - $705,525). For the year ended December 31, 2019, the Company had a net loss of $3,173,896 (year ended December 31, 2018 - net loss of $469,296). The Company expects to incur further losses in the development of its business, all of which raise material uncertainties which casts significant doubt about the Company’s ability to continue as a going concern.

A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due; all of which are uncertain.

3. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2019. The policies set out below are based on IFRS issued and outstanding as of June 10, 2020, the date of the Directors approved the statements.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

(d) Significant Accounting and Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS 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 revenues and expenses during the year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgments:
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- Income taxes - measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements; and
- Capital reserves – the inputs used in accounting for share-based payment transactions, including stock options and warrants.
- Assessment of former Monterey as a business in scope of IFRS 3 - as more fully described in Note 6, the Company was party to a Share Exchange Agreement during the year ended December 31, 2019. Assessment of the acquisition of the three Australian entities as acquisition of assets (note 12). This required management to make a determination as to whether it met the definition of a business pursuant to IFRS 3 – Business Combinations;
- Recognition of deferred income tax assets - In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified;

3. Significant accounting policies (continued)

(d) Significant Accounting and Estimates and Judgements (continued)

Critical accounting estimates (continued):

- Going concern - management must make an assessment as to the going concern basis of accounting and uncertainties associated with the Company's ability to raise additional capital and/or obtain financing to advance the exploration properties; and
- Site decommissioning obligations - the Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates are made by management and external consultants considering current costs, technology and enacted legislation.

(e) Basis of consolidation

The consolidation financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of during the years presented are included in these consolidated statements of loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

Monterey Minerals Inc.	Registered	Principal activity
Parent		
Monterey Minerals Inc.	British Columbia, Canada	Holding company
Subsidiaries		
Landsdown Holdings Ltd.	British Columbia, Canada	Holding company
Ridge Street Investments Pty Ltd.	Australia	Mines exploration and exploitation
CTTR Mining Tenements Pty Ltd	Australia	Mines exploration and exploitation
Golden River Resources Pty Ltd	Australia	Mines exploration and exploitation

3. Significant accounting policies (continued)

(f) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

3. Significant accounting policies (continued)

(f) Financial instruments (continued)

The Company's financial assets consists of cash, which is classified and subsequently measured at FVTPL and loan receivable which is classified and subsequently measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities, lease liability and loan payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

(g) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

(h) Mineral properties

The Company charges to operations all mineral property acquisition costs and exploration and evaluation expenses incurred prior to the determination of economically recoverable reserve. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice 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.

(i) Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

3. Significant accounting policies (continued)

(j) Share-based compensation transactions

Shared-based compensation transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at fair value of the share-based payment. Share-based payments to employees of the subsidiaries are recognized as cash settled share-based compensation transactions.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in "equity settled share-based payments reserve".

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options (if any) is reflected as additional dilution in the computation of loss per share.

(k) Income taxes

Income tax on these consolidated statements of loss for the years presented comprises current and deferred tax. Income tax is recognized in these consolidated statements of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

3. Significant accounting policies (continued)

(k) Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to taxable 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 tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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 tax benefit will be realized.

(l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2019 and December 31, 2018.

(m) Foreign currencies

The functional currency of the parent company and its subsidiaries in Canada is the Canadian dollar and the functional currency of its subsidiaries in Australia is the Australian dollar. The Canadian dollar is the currency in which it presents these consolidated financial statements. The Company recognizes transactionsin currencies other than the Canadian dollar or the Australian dollar for its subsidiaries at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of reporting period exchange rates are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical costin a foreign currency are not retranslated.

The results and financial position of all of the Company's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position date presented are translated at theclosing rate at the date of that statement of financial position;
b) income and expenses for each income statement are translated at average exchange rates; and
c) all resulting exchange differences are recognised in other comprehensive income (loss)

4. Accounting pronouncements adopted during the year

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after January 1, 2019. The following new standards have been adopted:

IFRS 16, Leases ("IFRS 16")

The Company adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2018. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard.

On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record the right-of-use asset based on the corresponding lease liability. As at January 1, 2019, the Company recorded lease obligation of $58,489 and right-of-use asset of $58,489 (See Notes 7 and 8).

When measuring lease liabilities, the Company discounted future lease payments using its incremental borrowing rate on the date of the lease obligations were incurred. The rate applied is 2%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

(Expressed in Canadian Dollars)

4. Accounting pronouncements adopted during the year (continued)

IFRS 16, Leases ("IFRS 16") (continued)

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Significant accounting judgments, estimates and assumptions in adoption of IFRS 16

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

5. Loan receivable

The Company has one loan receivable as at December 31, 2019 with principal outstanding of $10,018, which is unsecured, non-interest bearing and is due on demand.

6. Reverse takeover

	Number of common shares	Amount
Former Monterey		
Balance, June 26, 2018	5,914,478	$ 547,213

	Number of common shares	Amount
Landsdown		
Balance, June 26, 2018	14,438,578	$ 587,094

On June 26, 2018, Former Monterey entered into a Share Exchange Agreement ("SEA") with Landsdown Holdings Ltd. ("Landsdown") under which a reverse acquisition transaction was completed. Under the terms of the SEA, the Company acquired all of the issued and outstanding common shares of Landsdown based on one share of the Company for each common share of Landsdown outstanding. Upon closing, former Landsdown shareholders held approximately 71% of the outstanding shares of the Company. In substance, the Transaction involves former Landsdown shareholders obtaining control of the Company; accordingly, the Transaction is considered to be a reverse acquisition transaction under which Landsdown is identified as the accounting acquirer.

(Expressed in Canadian Dollars)

6. Reverse takeover (continued)

As Former Monterey did not meet the definition of a business under IFRS 3 Business Combinations ("IFRS 3") prior to the Transaction, the future consolidated financial statements of the combined entity will represent the continuation of Landsdown. The transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment ("IFRS 2") whereby Landsdown is deemed to have issued shares in exchange for the net assets of Former Monterey together with its Reporting Issuer status at the fair value of the consideration received by Landsdown.

The accounting for this transaction is as follows:

1. The consolidated financial statements of the combined entity are issued under the legal parent, Monterey Minerals Inc., but are considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, Landsdown Holdings Ltd.
2. Since Landsdown is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.
3. The identifiable assets and liabilities of Former Monterey are recognized at fair value at the acquisition date, with the excess of the fair value of the equity interest consideration paid over the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense.
4. The fair value of the equity interest consideration paid is determined based on the percentage ownership Former Monterey (the legal parent's) shareholders have in the consolidated entity after the transaction. This represents the fair value of the shares that Landsdown would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Landsdown acquiring 100% of the common shares in Former Monterey. The fair value of the consideration paid in the reverse-acquisition is therefore equivalent to the fair value of the 5,914,478 Monterey shares deemed to have been issued by Landsdown and controlled by Former Monterey shareholders, estimated to be $414,013 based on the fair market value of $0.07 per share, being the price of a recent financing of Former Monterey.

The listing fee expense is summarized as follows:

Net working capital acquired:		
Accounts payable	$	66,299
Preferred share liability		3,000
Cash		(273,356)
Loans receivable		(1,500)
Prepaid expenses		(19,729)
	$	(225,286)
Common shares issued (5,914,478 shares at $0.07 per share)		414,013
Listing fee expenses	$	188,727

7. Right-of-use Assets

		Office lease
Balance, January 1, 2019	$	-
Addition		58,489
Depreciation		(17,071)
Balance, December 31, 2019	$	41,418

Right of use assets consist of leased office space which are amortized over the the life of the lease of 48 months.

(Expressed in Canadian Dollars)

8. Lease Liabilities

Balance, January 1, 2019	$	-
Additions		58,489
Interest		592
Lease payments		(13,090)
Balance, December 31, 219	$	45,991

Allocated as:		
Current	$	17,038
Long-term		28,953
	$	45,991

The monthly payment amount for the lease is $1,459.

9. Share capital and reserve

(i) Authorized – Unlimited Common shares without par value;

Issued and Outstanding as at December 31, 2019: 60,146,656 (December 31, 2018 - 20,353,056)

During the year ended December 31, 2018, 5,914,478 common shares were issued in connection with the reverse acquisition transaction.

During the year ended December 31, 2019, the Company completed a private placement of 11,993,600 common shares at a price of $0.05 per common share for total proceeds of $599,680 which is comprised of $499,680 hard dollar and $100,000 for flow-through. The proceeds were raised by offering non flow-through and flow-through units where each unit consisted of one common share priced at $0.05 per unit and one quarter (1/4) share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share which is not a flow-through share at a price of $0.10 expiring after 18 months. Cash issuance costs in connection with the private placements were $19,411.

During the year ended December 31, 2019, the Company issued 1,800,000 common shares in connection with the options agreement for Cobalt Mountain property, 8,000,000 common shares in connection with the purchase agreement with Ridge Street Investment Pty Ltd., 7,000,000 common shares in connection with the purchase agreement with CTTR Mining Tenements Pty Ltd. and 11,000,000 common shares in connection with the purchase agreement with Golden River Resources Pty Ltd. (Note 12).

(Expressed in Canadian Dollars)

9. Share capital and reserve (continued)

(ii) Stock options

On August 29, 2019, the Company granted 750,000 share purchase options which have an exercise price of $0.10 per option and expire on August 29, 2024. Share-based payments of $69,675 have recorded in connection with the issuance of these options. The 750,000 options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 1.18%; expected life - 5 years; expected volatility – 204.93%; forfeiture rate - Nil and expected dividends - Nil.

On February 28, 2019, the Company granted 875,000 share purchase options which have an exercise price of $0.12 per option and expire on February 28, 2024. Share-based payments of $63,525 have been recorded in connection with the issuance of these options. The 875,000 options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 2.18%; expected life - 5 years; expected volatility - 100.00%; forfeiture rate - Nil and expected dividends - Nil.

The Company granted 1,300,000 options on August 15, 2018 which have an exercise price of $0.15 per option and expire on August 15, 2023. Share-based payments of $58,500 have been recorded in connection with the issuance of these options. The 1,300,000 options were fair valued using the Black-Scholes Option Pricing Model under the following assumptions average risk-free interest rate – 2.18%; expected life – 5 years; expected volatility – 100.00%; forfeiture rate – Nil and expected dividends – Nil

The movement in the Company's share options for the years ended December 31, 2019 and 2018 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2017	-	$ -
Granted	1,300,000	0.15
Balance, December 31, 2018	1,300,000	$ 0.15
Granted	1,625,000	0.11
Balance, December 31, 2019	2,925,000	$ 0.21

As at December 31, 2019, the Company has outstanding share purchase options enabling holders to acquire common shares of the Company as follows:

Grant date	Options outstanding	Options vested	Weighted average remaining life (years)	Exercise price ($)	Expiry date
August 15, 2018	1,300,000	1,300,000	3.62	0.15	August 15, 2023
February 28, 2019	875,000	875,000	4.16	0.12	February 28, 2024
August 29, 2019	750,000	750,000	4.67	0.10	August 29, 2024
	2,925,000	2,925,000	4.05	0.13	

(Expressed in Canadian Dollars)

9. Share capital (continued)

(iii) Share purchase warrants

A summary of the Company's share purchase warrants for the year ended December 31, 2019 are as follows:

Grant date	Options outstanding	Exercise price ($)	Expiry date
August 21, 2019	2,536,900	0.10	February 21, 2021
September 5, 2019	461,500	0.10	March 5, 2021
	2,998,400		

The share purchase warrants granted on August 21, 2019 were fair valued using the Black-Scholes Option Pricing Model under the following assumptions average risk-free interest rate – 1.40%; expected life – 1.5 years; expected volatility – 172.8%; forfeiture rate – Nil and expected dividends – Nil. The fair value of these warrants was estimated at $127,606.

The share purchase warrants issued on September 5, 2019 were fair valued using the Black-Scholes Option Pricing Model under the following assumptions average risk-free interest rate – 1.45%; expected life – 1.5 years; expected volatility – 204.93%; forfeiture rate – Nil and expected dividends – Nil. The fair value of these warrants was estimated at $38,674.

10. Capital disclosure

The Company defines its capital as as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development 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 an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest 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. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

(Expressed in Canadian Dollars)

11. Financial Instruments and Risk Exposures and Management

The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and cash equivalents, loan receivable, accounts payable and loan payable and lease liability approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2019 as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash	$ 70,799	$ -	$ -	$ 70,799

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

<u>Credit risk</u>
Credit risk is the risk of loss associates with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company is further exposed to credit risk through its loan's receivable. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

<u>Liquidity risk</u>
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from 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. As at December 31, 2019, the Company had working capital of $1,191 (December 31, 2018 - $354,082).

<u>Market Risk</u>
Market risk is the risk of loss that may arise from changes in market factors such as interest rate risk, foreign exchange rate risk and commodity price risk.

<u>Interest rate risk</u>
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

11. Financial Instruments and Risk Exposures and Management (continued)

Foreign exchange risk
The Company's functional and reporting currency is the Canadian dollar and substantially are expenditures are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Commodity price risk
Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals.

The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

Accounts payable and accrued liabilities:

As at December 31,		2019		2018
Accounts payable	$	54,511	$	14,156
Accrued liabilities		14,070		9,000
	$	68,581	$	23,156

The Company's trade and other payables are subject to standard trade terms of 30 – 60 days.

12. Mineral property interests

On February 17, 2019, the Company acquired a 100% interest in the Cobalt Mountain property located in Canada. As per the option agreement, the Company made cash payments of $60,000 and issued 1,800,000 common shares to the vendors.

On February 28, 2019, the Company purchased 100% of Ridge Street Investments Pty Ltd. which owns two prospective tenements on the eastern flank of the Pilbara Basin. As consideration, the Company issued 8,000,000 common shares to the vendors and assumed loans of AUD $65,000. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

On April 1, 2019, the Company purchased 100% of CTTR Mining Tenements Pty Ltd which owns seven tenements encompassing 525 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 7,000,000 common shares to the vendors and assumed loans of AUD $55,000. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

On June 5, 2019, the Company purchased 100% of Golden River Resources Pty Ltd which owns six tenements encompassing 323 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 11,000,000 common shares to the vendors and assumed loans of AUD $69,816. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

The purchase of the three Australian entities does not constitute a business combination, as the their mineral exploration project does not meet the definition of a business under IFRS 3 - Business Combinations. As a result, the acquisition of these entities has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are recorded at fair value. The exploration projects are grassroots exploration which was the basis for asset acquisition accounting rather than a business combination.

During the year ended December 31, 2019, the Company incurred mineral property acquisition costs and geological/exploration expenses of $2,458,458 (2018 – $78,647) in relation to these agreements.

(Expressed in Canadian Dollars)

13. Loans payable

As at December 31, 2019, the Company had total loans payable of $80,641 ($84,816 AUD) (December 31, 2018 - $nil). These amounts owed are unsecured, non-interest bearing and due on demand.

14. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada and Australia. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

15. Related party transactions

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company define keys management personnel as its CEO, CFO and Board of Directors.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict of interest law and regulations.

The Company incurred the following charges with related parties for the years ended December 31, 2019 and 2018:

	2019	2018
Consulting - President and CEO	$ 60,000	$ 21,950
Consulting - Venex Capital (controlled by a former director)	26,500	10,975
Accounting - Cronin Services (controlled by a former director)	24,770	9,863
Exploration - Cronin Capital (controlled by a former director)	147,904	9,042
Rent - Bunker Hill Mining (controlled by a former director)	11,201	6,297
Consulting - Front Street (controlled by a director)	30,000	3,775
Stock-based compensation	94,655	-
	$ 395,030	$ 61,902

As at December 31, 2019, included in accounts payable and accrued liabilities is $16,339 (December 31, 2018 - $11,856) due to companies controlled by directors of the Company.

(Expressed in Canadian Dollars)

16. Income taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	2019	2018
Loss before recovery of income taxes	$ 3,173,896	$ 469,296
	26.5%	26.5%
Expected income tax (recovery) at statutory rate	(841,082)	(124,364)
Temporary differences and other	(5,055)	53,600
Share-based payment reserve	35,298	14,575
Change in unrecognized tax benefit	810,839	56,189
Actual income tax recovery	$ -	$ -

Details of deferred tax assets:

The temporary differences and unused tax losses that give rise to deferred income tax balances are presented below:

As at December 31,	2019	2018
Non-capital losses carry forward	$ 264,785	$ 108,811
Share issue costs and other	4,808	1,040
Exploration and evaluation	687,912	36,815
Total deferred tax assets	$ 957,505	$ 146,666
Less: valuation allowance on deferred tax assets	(957,505)	(146,666)
	$ -	$ -

The Company has approximately $999,187 of non-capital losses available, which expiry between 2034 and 2039 and may be applied against future taxable income for income tax purposes. The Company also has approximately $2,399,462 of Canadian cumulative exploration and development expenses which are available for deduction, indefinitely, against future taxable income for income tax purposes. The Company also has foreign exploration tax losses of approximately $196,433.

At December 31, 2019, the potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

17. Commitments

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). As at December 31, 2019, the Companyis committed to incurring approximately $28,200 in qualifying exploration expenditures in Canada by December 31, 2020.

18. Subsequent events

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

On June 8, 2020, the Company signed a definitive agreement (the "DFA") with Greater Arc Resources Limited to purchase its wholly owned subsidiary Greater Arc Pty Ltd. ("Greater Arc"), which owns the Alicia high-grade gold and base metals project in Alicia Municipality, Philippines ("Alicia Project"). In accordance to the signed DFA, the proposed acquisition will be closed subject to due diligence and is expected to be completed by June 15, 2020.