BLACK TUSK RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED JULY 31, 2020

AND JULY 31, 2019

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	July 31, 2020 (Unaudited)	April 30, 2020 (Audited)
ASSETS		
Current		
Cash	$ 873,080	$ 159,892
Amounts receivables	386,488	46,001
Prepaid expenses	93,484	107,954
	1,353,052	313,847
Exploration and evaluation assets (Note 5)	1,682,167	1,573,025
	$ 3,035,219	$ 1,886,872
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 237,295	$ 110,103
Deferred flow through liabilities	154,052	154,052
	391,347	264,155
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	6,829,081	5,338,580
Reserves	665,413	579,418
Deficit	(4,850,622)	(4,295,281)
	2,643,872	1,622,717
	$ 3,035,219	$ 1,886,872

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on September 28, 2020:

"Richard Penn" Director

"Roman Rubin" Director

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended July 31, 2020	Three months ended July 31, 2019
EXPENSES		
Consulting fees	$ 296,235	$ 488,643
Investor communication	30,749	157,192
Management fees	66,000	75,000
Office and miscellaneous	6,959	3,677
Professional fees	40,796	20,793
Stock based compensation	85,995	18,896
Transfer agent and filing fees	4,239	17,367
Travel and promotion	24,368	20,566
Net loss and comprehensive loss end of period	$ 555,341	$ 802,134
Loss per share (basic and diluted)	$ (0.01)	$ (0.03)
Weighted average number of common share outstanding	75,777,869	25,824,945

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

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Number of Shares	Amount	Share Subscription	Reserves	Deficit	Total
		$	$	$	$	$
Balances, April 30, 2019	19,326,309	1,809,324	336,559	237,863	(1,688,104)	695,642
Issued for cash	9,865,582	1,473,289	(336,559)	(590)	–	1,136,140
Stock based compensation	–	–	–	18,896	–	18,896
Comprehensive loss for the period	–	–		–	(802,134)	(802,134)
Balance, July 31, 2019	29,191,891	3,282,613	–	256,169	(2,490,238)	1,048,544
Balance, April 30, 2020	68,154,955	5,338,580	–	579,418	(4,295,281)	1,622,717
Issued for cash	19,188,000	1,361,949	–	–	–	1,361,949
Issued for services	2,318,015	128,552	–	–	–	128,552
Stock based compensation	–	–	–	85,995	–	85,995
Comprehensive loss for for the period	–	–	–	–	(555,341)	(555,341)
Balance, July 31, 2020	89,660,970	6,829,081	–	665,413	(4,850,622)	2,643,872

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

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended July 31, 2020	Three months ended July 31, 2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$ (555,341)	$ (802,134)
Items not involving cash:		
Stock - based payments	85,995	18,896
	(469,346)	(783,238)
Changes in non-cash working capital balances:		
Other receivable	(340,487)	(5,371)
Prepaid expenses	14,470	(179,146)
Accounts payable and accrued liabilities	127,192	(150,666)
Cash used in operating activities	(668,171)	(1,118,421)
INVESTING ACTIVITY		
Mineral property acquisition and exploration costs	(109,142)	(90,052)
Cash used in investing activity	(109,142)	(90,052)
FINANCING ACTIVITIES		
Share subscription	–	(336,559)
Shares issued for cash	1,490,501	1,473.289
Cash used in by financing activity	1,490,501	1,136,730
INCREASE IN CASH DURING THE PERIOD	713,188	(71,743)
CASH, BEGINNING OF PERIOD	159,892	250,209
CASH, END OF PERIOD	$ 873,080	$ 178,466
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ –	$ –
Income taxes paid	$ –	$ –
Shares issued for services	$ 128,552	$ –

1. NATURE OF OPERATIONS

Black Tusk Resources Inc. ("the Company") was incorporated on November 18, 2016 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-666 Burrard Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at July 31, 2020, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $4,850,622 as at July 31, 2020, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended April 30, 2020.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on September 28, 2020.

(Expressed in Canadian Dollars) UNAUDITED

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's April 30, 2020 annual financial statements.

4. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company adopted the following new standard effective May 1, 2019:

IFRS 16 Leases

IFRS 16 replaces IAS 17, "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

The adoption of IFRS 16 did not have a material impact on the Company's future results and financial position.

5. EXPLORATION AND EVALUATION ASSET

	Acquisition costs	**Exploration costs**	**Total**
	$	$	$
Balance, April 30, 2018	45,000	87,990	132,990
Additions	195,000	37,259	232,259
Balance, April 30, 2019	240,000	125,249	365,249
Additions	1,067,500	319,048	1,386,548
Write-off of mineral property	(65,000)	(113,772)	(178,772)
Balance, April 30, 2020	1,242,500	330,525	1,573,025
Additions	–	109,142	109,142
Balance, July 31, 2020	1,242,500	439,667	1,682,167

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Goldsmith Property

On November 30, 2016, the Company entered into an option agreement to purchase certain claims in the Goldsmith Property. In order to exercise its option, the Company must make cash payments of $100,000 as follows:

- $5,000 upon execution of the agreement; (paid)
- an additional $7,000 on the Initial Public Offering of the Company; (paid)
- an additional $13,000 on or before November 30, 2017; (paid)
- an additional $20,000 on or before November 30, 2018; (paid)
- an additional $25,000 on or before November 30, 2019; and
- an additional $30,000 on or before November 30, 2020.

The Company must also issue 400,000 common shares as follows:

- 200,000 common shares on the Initial Public Offering of the Company; (issued) and
- an additional 200,000 common shares on or before November 30, 2020.

The Company must make all government payments in order to maintain the mineral claims in good standing. The Optionors retain a 2% net smelter royalty ("NSR") on the Goldsmith Property. The Company may purchase the first 1% of the NSR by paying the Optionors $500,000. The Company has incurred the following costs as at April 30, 2020 and 2019:

	Goldsmith Property
	$
Balance, April 30, 2018	132,990
Acquisition Costs	
Cash	20,000
Deferred Exploration Costs	
Exploration costs	37,259
Balance, April 30, 2019	190,249
Deferred Exploration Costs	
Recovery of exploration costs	(11,477)
Write-off	**(178,772)**
Balance, April 30, 2020 and July 31, 2020	**-**

During the year ended April 30, 2020, the Company decided not to proceed with the Goldsmith Property option and recorded an impairment of $178,772 to write off all the accumulated costs.

Cluster Project

On February 5, 2019, the Company entered into a mineral claim purchase agreement to purchase 100% interest in the mineral property called the Cluster Project, located in Val-D'Or, Quebec. In consideration for the Cluster Project, the Company made cash payment of $25,000 and issued 1,000,000 common shares to the vendor during the year ended April 30, 2019.

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

As at July 31, 2020, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at July 31, 2020:

	Cluster Project
	$
Balance, April 30, 2018	-
Acquisition Costs	
Cash	25,000
1,000,000 shares issued at $0.15 per share (Note 9)	150,000
Total Acquisition Costs	**175,000**
Deferred Exploration Costs	
Exploration costs	-
Total Deferred Exploration Costs	-
Balance, April 30, 2019	**175,000**
Acquisition Costs	
Cash	-
Total Acquisition Costs	**175,000**
Deferred Exploration Costs	
Exploration costs	330,525
Balance April 20, 2020	505,142
Exploration Costs	109,142
Balance, July 31, 2020	**614,284**

McKenzie East Project

On November 12, 2019, the Company entered into a share purchase agreement to purchase 100% of the outstanding shares of Golda Resources Inc (“Golda”). At the time of acquisition, Golda held a 100% interest in the mineral property called the McKenzie East Project, located in Quebec. In consideration for the mineral property, the Company issued 5,500,000 common shares to the owners of Golda and paid $15,000 cash to a third party consultant.

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

As at July 31, 2020, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at July 31, 2020:

	McKenzie East Project
	$
Balance, April 30, 2019 and 2018	-
Acquisition Costs	
Cash	15,000
5,500,000 shares issued at $0.055 per share (Note 9)	302,500
Total Acquisition Costs	**317,500**
Deferred Exploration Costs	
Exploration costs	-
Total Deferred Exploration Costs	-
Balance, April 30, 2020 and July 31, 2020	**317,500**

South Rim Project

On January 13, 2020, the Company entered into a share purchase agreement to purchase 100% of the shares of Chalice Gold Exploration Corp. (“Chalice”). At the time of acquisition, Chalice held a 100% interest in the mineral property called the South Rim Project, located in British Columbia. In consideration for the mineral property, the Company issued 10,000,000 common shares to the owners of Chalice.

As at July 31, 2020, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at July 31, 2020:

	South Rim Project
	$
Balance, April 30, 2019 and 2018	-
Acquisition Costs	
10,000,000 shares issued at $0.075 per share (Note 9)	750,000
Total Acquisition Costs	**750,000**
Deferred Exploration Costs	
Exploration costs	-
Total Deferred Exploration Costs	-
Balance, April 30, 2020 and July 31, 2020	**750,000**

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. At July 31, 2020, there were 760,009 common shares held in escrow.

c) Issued and Outstanding:

As at July 31, 2020 there were 89,660,970 common shares issued and outstanding.

During the period ended July 31, 2020, the Company had the following share capital transactions:

(i) The Company issued 1,654,000 common shares at a price of $0.05 per share for services.
(ii) The Company issued 484,615 common shares at a price of $0.065 per share for services.
(iii) The company issued 4,000,000 common shares at a price of $0.06 per share pursuant to the exercise of warrants for gross proceeds of $240,000.
(iv) The Company issued 2,500,000 common shares at a price of $0.06 per share for gross proceeds of $150,000.
(v) The Company issued 12,688,000 common flow-through shares at a price of $0.08 per share for gross proceeds of $1,015,040.
(vi) The Company issued 179,400 common shares at a price of $0.08 per share for services.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

d) Stock options (continued)

During the year ended April 30, 2018, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12 month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities

In any 12 month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

During the period ended July 31, 2020, The Company granted 2,100,000 stock option to a directors, employees and a consultant of the Company. The option are exercised at $0.07 per share for a period of 2 years.

As at July 31, 2018, the Company had options outstanding enabling holders to acquire the following:

	Options Outstanding	Weighted Average Exercise Price
		$
Balance, April 30, 2020	7,212,156	0.15
Options granted	2,100,000	0.07
Options expired	(350,000)	–
Outstanding and Exercisable, July 31, 2020	9,312,156	0.07

Details of stock options outstanding at July 31, 2020 are as follows:

Number of Stock Options	**Exercise Price ($)**	**Remaining Contractual Life (years)**	**Expiry Date**
300,000	0.21	0.27	November 7, 2020
200,000	0.06	0.79	May 14, 2021
200,000	0.14	0.89	July 4, 2021
179,156	0.14	0.93	July 31, 2021
2,933,300	0.05	1.36	December 10, 2021
500,000	0.75	1.56	February 18, 2022
1,750,000	0.05	1.65	March 24, 2022
400,000	0.05	1.73	April 21, 2022
2,100,000	0.07	1.99	July 24, 2022

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

e) Stock options (continued)

The following assumptions were used for the Black-Scholes valuation of options issued:

	2020
Share price	$0.07
Risk – free interest rate	0.27%
Expected life of warrants	2 years
Dividend rate	0%
Annualized volatility	115%

e) <u>Warrants</u>

A Summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, April 30, 2020	21,350,218	$ 0.26
Issued	7,505,400	0.07
Exercised	(4,000,000)	(0.06)
Expired	(339,800)	–
Outstanding and exercisable, July 31, 2020	28,515,818	0.15

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

A summary of warrants outstanding at July 31, 2020 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants issued and exercisable
September 27, 2020	0.16	$0.30	2,547,000
December 28, 2020	0.41	$0.30	549,000
May 2, 2021	0.76	$0.25	3,352,332
June 3,2021	0.84	$0.25	2,983,400
June 13, 2021	0.87	$0.25	844,600
July 9, 2021	0.94	$0.25	1,031,575
September 20, 2021	1.14	$0.20	644,445
November 1, 2021	1.26	$0.06	2,580,000
December 10, 2021	1.36	$0.10	346,666
December 19, 2021	1.39	$0.10	1,698,000
December 30, 2021	1.42	$0.10	433,400
			28,515,818

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	July 31, 2020	**April 30, 2020**
	$	$
Accounts payable and accrued liabilities	5,106	8,574

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The amounts are due to a company controlled by the Chief Executive Officer ("CEO") of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions for the three month period ended:

	July 31, 2020	**July 31, 2019**
	$	$
Management fees	66,000	75,000
Geological fees	7,776	10,844

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer. Management fees were provided by a company owned or controlled by the CEO.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at July 31, 2020 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	873,080	–	–	873,080

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at July 31, 2020 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

11. SUBSEQUENT EVENTS

Subsequent to July 31, 2020 the Company issued 3,077,000 units. Each unit consisted of one common shares issued at $0.08 per share and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of 5 year at $0.08 per share.

Subsequent to July 31, 2020 the Company issued $110,000 from the exercise of 2,100,000 stock options.

Subsequent to July 31, 2020 the Company received $12,000 from the exercise of 200,000 warrants.