

**FenixOro Gold Corp.**  
**(Formerly "American Battery Metals Corp.")**  
**Condensed Interim Consolidated Financial Statements**  
For the Three Months Ended May 31, 2020

*(Unaudited - Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, continuous disclosure requirement, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim consolidated financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants for a review of unaudited condensed interim consolidated financial statements by an entity's auditor.

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian Dollars)

	<b>May 31, 2020</b> (unaudited)	<b>February 29, 2020</b> (audited)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,126,854	1,431,494
Accounts receivable	74,606	25,251
GST receivable	57,658	48,068
Prepaid expenses	70,369	120,608
	<u>1,329,487</u>	<u>1,625,421</u>
<b>Non-current assets</b>		
Exploration and evaluation assets (Notes 4 and 5)	7,771,507	-
	<u>9,100,994</u>	<u>1,625,421</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (note 8)	975,780	72,746
Accrued liabilities	15,000	12,000
	<u>990,780</u>	<u>84,746</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	10,306,861	3,960,583
Reserve (Note 6)	812,238	297,351
Accumulated other comprehensive income	(29,144)	-
Deficit	(2,979,741)	(2,717,259)
	<u>8,110,214</u>	<u>1,540,675</u>
	<u>9,100,994</u>	<u>1,625,421</u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		

Nature of operations and going concern (Note 1)  
Contingency (Note 10)  
Subsequent events (Note 11)

These condensed interim consolidated financial statements were approved by the Board of Directors on July 30, 2020

*"John Carlesso"*

John Carlesso, CEO and Director

*"David Mitchell"*

David Mitchell, Director

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

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three months ended May 31, 2020</b>	<b>Three months ended May 31, 2019</b>
	\$	\$
<b>EXPENSES</b>		
Administration expenses	14,099	13,050
Advertising and promotions	113,427	515,630
Consulting (Note 8)	106,706	90,000
Exploration expenditures (Notes 4 and 5)	-	80,698
Filing and transfer agent fees	30,738	10,961
Investor communications	11,096	19,954
Professional fees	6,559	4,490
Share-based compensation (Notes 6 and 8)	16,049	-
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(298,674)</b>	<b>(734,783)</b>
<b>OTHER ITEMS</b>		
Foreign exchange loss	12,327	(6,349)
Recovery of expenditures	23,865	-
	36,192	(6,349)
<b>NET LOSS</b>	<b>(262,482)</b>	<b>(741,132)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will be recycled to profit or loss:		
Foreign exchange gain on translation adjustment	(29,144)	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(291,626)</b>	<b>(741,132)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>34,498,983</b>	<b>22,954,739</b>

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

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
		\$	\$		\$	\$
<b>Balance, February 28, 2019</b>	<b>16,920,001</b>	<b>842,619</b>	<b>205,998</b>	-	<b>(720,588)</b>	<b>328,029</b>
Shares issued for cash	6,017,000	1,504,250	-	-	-	1,504,250
Share issuance costs	250,000	(186,094)	62,540	-	-	(123,554)
Share issued on warrants exercised	350,000	35,000	-	-	-	35,000
Comprehensive loss	-	-	-	-	(741,132)	(741,132)
<b>Balance, May 31, 2019</b>	<b>23,537,001</b>	<b>2,195,775</b>	<b>268,538</b>	-	<b>(1,461,720)</b>	<b>1,002,593</b>
Shares issued for cash	4,286,471	1,500,265	-	-	-	1,500,265
Share issuance costs	-	(77,342)	14,069	-	-	(63,273)
Share issued on warrants exercised	2,989,900	341,885	-	-	-	341,885
Share-based compensation	-	-	14,744	-	-	14,744
Comprehensive loss	-	-	-	-	(1,255,539)	(1,255,539)
<b>Balance, February 29, 2020</b>	<b>30,813,372</b>	<b>3,960,583</b>	<b>297,351</b>	-	<b>(2,717,259)</b>	<b>1,540,675</b>
Shares issued pursuant to acquisition of Fenix	31,000,000	6,045,000	-	-	-	6,045,000
Replacement warrants issued	-	-	498,838	-	-	498,838
Shares issued for services	200,000	39,000	-	-	-	39,000
Share issued on warrants exercised	1,798,571	262,278	-	-	-	262,278
Share-based compensation	-	-	16,049	-	-	16,049
Comprehensive loss	-	-	-	(29,144)	(262,482)	(262,482)
<b>Balance, May 31, 2020</b>	<b>63,811,943</b>	<b>10,306,861</b>	<b>812,238</b>	<b>(29,144)</b>	<b>(2,979,741)</b>	<b>8,110,214</b>

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

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three months ended May 31, 2020</b>	<b>Three months ended May 31, 2019</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss	(262,482)	(741,132)
Adjustments for non-cash items		
Share-based compensation	16,049	-
Shares for service	39,000	-
Change in non-cash working capital:		
GST receivable	(9,590)	(12,671)
Accounts receivable	(398)	-
Accounts payable and accrued liabilities	(47,622)	(9,957)
Prepaid expenses	60,187	(138,644)
Net cash flows used in operating activities	(204,856)	(902,404)
<b>Cash flows from investing activities</b>		
Advances and other costs related to acquisition of Fenix allocated to Exploration and evaluation assets	(362,062)	-
Loan receivable	-	(250,000)
Net cash flows used in investing activities	(362,062)	(250,000)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares, net	-	1,380,696
Proceeds from the exercise of warrants	262,278	35,000
Net cash flows provided by financing activities	262,278	1,415,696
<b>Change in Cash</b>	<b>(304,640)</b>	<b>263,292</b>
Cash, beginning	1,431,494	88,098
<b>Cash, ending</b>	<b>1,126,854</b>	<b>351,390</b>

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

## **FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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### **1. Nature of operations and going concern**

FenixOro Gold Corp. (formerly American Battery Metals Corp.) (the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources, in Nevada, USA.

Effective November 29, 2018, the Company's shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "FDIV". Effective March 11, 2019, the Company changed its name from First Division Ventures Inc. to American Battery Metals Corp. and is traded under the symbol "ABC" on the CSE. Effective May 21, 2020, the Company changed its name to FenixOro Gold Corp and is traded under the symbol "FENX" on the CSE.

The Company's registered office and principal place of business is 700 – 350 Bay Street Toronto Ontario, Canada.

On May 19, 2020, the Company completed a transaction (the "Transaction") of Fenix Gold Inc. ("Fenix"). Fenix was previously a private Canadian company focused on acquiring gold projects in Colombia. As part of the Transaction, the Company issued 29,000,000 common shares to the shareholders of Fenix in exchange for all the issued and outstanding shares of Fenix. The Company also issued 2,000,000 common shares pursuant to a finder's fee agreement. In addition, the Company also issued 4,006,095 warrants.

These condensed interim consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has incurred losses and negative cash flows from operations since inception that has been funded through financing activities. The Company has no current source of revenues from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

## **FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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### **2. Basis of preparation**

The condensed interim consolidated financial statements were authorized for issuance on July 30, 2020 by the directors of the Company.

#### (a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended February 29, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended February 29, 2020.

#### (b) Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

#### (c) Significant estimates and assumptions

The preparation of these condensed interim consolidated financial statements requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the condensed interim consolidated financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risks of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of the exploration and evaluation assets, the measurements for financial instruments, and the recoverability of deferred tax assets.

The preparation of condensed interim consolidated financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

### **3. Significant accounting policies**

These condensed interim consolidated financial statements have been prepared based on accounting policies and methods of computation consistent with those applied in the Company's audited annual financial statement for the fiscal year ended February 29, 2020.



**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

**4. Exploration and evaluation assets**

The Company's exploration and evaluation assets are as follows:

	Colombia	United States	Total
	\$	\$	\$
Balance, February 28, 2019	-	278,620	278,620
Additions	-	23,532	23,532
Write off	-	(302,152)	(302,152)
Balance, February 29, 2020	-	-	-
Additions (note 5)	7,771,507	-	7,771,507
Balance, May 31, 2020	7,771,507	-	7,771,507

**Temple Mountain Property, Utah, USA**

On February 6, 2019, the Company entered an option agreement with GeoXplor Corp. ("GeoXplor") to acquire 100% of GeoXplor's interest in the Temple Mountain property ("Temple Mountain Property") located in Emery County, Utah. Under the agreement, the Company was to pay USD\$635,000 of which US\$60,000 was paid, issue 3,250,000 shares of which 500,000 were issued and meet exploration expenditure requirements.

During the year ended February 29, 2020, the Company has determined it was not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

**Fish Lake Property, Nevada, USA**

On September 25, 2017, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property". Under the amended agreement, the Company was to pay \$20,000 (paid), issue 3,000,000 common shares (none issued) and meet exploration expenditure requirements. The Company paid an additional \$10,000 on the signing of the amendment.

The Company has determined it is not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

**Abriaqui project, Colombia**

On May 19, 2020, through the acquisition of Fenix Gold Inc., a private company ("Fenix") the Company acquired the Abriaqui project (note 5) which consists of four mining claims. Two claims are 100% owned by Fenix and two are held through its subsidiaries, pursuant to a joint venture agreement with a local mining co-operative whereby Fenix, through its subsidiaries, has indirectly acquired a 35% ownership interest and has the right to earn-in up to a 90% interest in the claim (50% ownership upon completion of a USD\$50,000 subtraction report and production facility, and USD\$100,000 payment; 90% ownership upon USD\$900,000 exploration expenses and USD\$100,000 payment).

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

**5. Acquisition of Fenix Gold Inc.**

On May 19, 2020, the Company completed the acquisition (the "Transaction") of Fenix. Fenix is focused on operating, developing, exploring and acquiring properties in Columbia. The Transaction was completed by way of an amalgamation of Fenix with a wholly-owned subsidiary of the Company. This represents a fundamental change for the Company with Fenix shareholders representing 47% of the Company.

The Company issued 29,000,000 common shares to the shareholders of Fenix as consideration for all the issued and outstanding shares of Fenix. The Company also issued 2,000,000 common shares to certain parties for their work in arranging the Transaction. The 31,000,000 total shares were determined to have a fair value of \$6,045,000 using the share price of \$0.195 at the date that the shares were issued. In addition, legal expenses totaling \$59,038 were capitalized as part of the Transaction.

An aggregate of 3,846,785 outstanding warrants of Fenix were replaced with 4,006,095 common share purchase warrants of the Company exercisable at a price of \$0.20 until the date that is 2 years from closing date of the Transaction. The Company fair valued the replacement warrants at \$498,838 using the Black Scholes valuation model with an expected life of 2 years, exercise price of \$0.20, volatility of 130% and a discount rate of 0.30%.

The Company had advanced USD\$250,000 to Fenix on signing of the acquisition agreement which was eliminated on consolidation on the completion of the Transaction as an intercompany balance.

Cost of Acquisition		
Fair value of shares issued 31,000,000	\$	5,655,000
Fair value of finder's shares		390,000
Fair value of replacement warrants		498,838
Advances and other costs incurred for the purpose of acquisition		406,978
	\$	6,950,816
Fair value of assets acquired net of liabilities		
Cash	\$	74,060
Accounts Receivable		48,957
Prepaid expenses		9,948
Liabilities		(953,656)
Net assets		(820,691)
Excess recorded as Exploration and evaluation assets	\$	7,771,507

Liabilities acquired included \$267,281 due to the CEO of the Company.

## **FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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### **6. Share capital**

#### *(a) Authorized*

Unlimited common shares with no par value.

#### *(b) Issued and outstanding*

During the three months ended May 31, 2020, the following issuances occurred:

- On May 18, 2020, the Company issued 31,000,000 common shares pursuant to the acquisition of Fenix. (Note 6)
- On May 20, 2020, the Company issued 200,000 common shares with a fair value of \$39,000 pursuant to a financial consulting agreement with Leede Jones Gable Inc.
- During the three months ended May 31, 2020, the Company issued 1,798,571 common shares pursuant to the exercise of share purchase warrants for proceeds of \$262,278. The share purchase warrants exercised had an original fair value of \$nil recorded in the reserve.

During the year ended February 29, 2020, the following issuances occurred:

- On March 4, 2019, the Company issued 6,017,000 units for gross proceeds of \$1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of \$0.50 until September 4, 2020. In connection with the financing, the Company paid aggregate finders' fees of \$72,675 and issued 322,620 brokers' warrants. The brokers' warrants were valued at \$61,398 using the Black Scholes option pricing model using an expected life of 18 months, volatility of 140%, risk-free interest rate of 1.75% and expected dividends of \$nil. The Company issued an additional 250,000 common shares for finders' fees at \$0.30 per share valued at \$75,000. The Company incurred legal fees associated with the private placement of \$12,541 that have been recorded as share issuance costs.
- On June 14, 2019, the Company issued 4,286,471 units for gross proceeds of \$1,500,265. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of \$0.50 until June 14, 2020. In connection with the financing, the Company paid aggregate finders' fees of \$63,520 and issued 92,914 brokers' warrants. The brokers' warrants were valued at \$15,225 using the Black Scholes option pricing model using an expected life of 1 year, volatility of 150%, risk-free interest rate of 1.44% and expected dividends of \$nil. The Company incurred legal fees associated with the private placement of \$77,853 that have been recorded as share issuance costs.
- During the year ended February 29, 2020, the Company issued 3,339,900 common shares pursuant to the exercise of share purchase warrants for proceeds of \$376,885. The share purchase warrants exercised had an original fair value of \$nil recorded in the reserve.

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

**6. Share capital (continued)***(c) Share purchase warrants*

The share purchase warrants issued are valued using the residual method. During the three months ended May 31, 2020, total common share purchase warrants of nil (2019 – 6,017,000) were issued with a residual value of \$nil (2019 - \$nil). Replacement warrants totaling 4,006,095 were granted related to the acquisition of Fenix (Note 6). At May 31, 2020, the Company had the following share purchase warrants outstanding and exercisable:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, February 28, 2019	12,200,000	0.100
Issued	10,303,471	0.155
Exercised	(3,339,900)	(0.113)
Balance, February 29, 2020	19,163,571	0.128
Issued	4,006,095	0.200
Exercised	(1,798,571)	(0.146)
Balance, February 29, 2020	21,371,095	0.139

  

Date of Expiry	Exercise Price	February 29, 2020	February 29, 2020
	\$		
June 14, 2020 <sup>(1)</sup>	0.155	3,510,000	3,943,571
July 10, 2020 <sup>(1)</sup>	0.155	4,515,000	5,580,000
November 27, 2021 <sup>(1)</sup>	0.100	9,340,000	9,640,000
May 19, 2022	0.200	4,006,095	-
Total Outstanding and Exercisable		21,371,095	19,163,571

<sup>(1)</sup> Subsequent to May 31, 2020, the Company accelerated warrants that were set to expire on September 4, 2020 to a new expiry date of July 10, 2020.

*(d) Brokers' warrants*

The brokers' warrants were issued as consideration for brokers' fees and were valued using the Black-Scholes Option Pricing Model using the following input assumptions:

Three months ended	May 31, 2020	May 31, 2019
Risk-free interest rate	n/a	1.75%
Estimated life	n/a	1.5 years
Expected volatility	n/a	140%
Expected dividend yield	n/a	0%

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

**6. Share capital (continued)***(d) Brokers' warrants (continued)*

The Company had the following brokers' warrants outstanding and exercisable:

		Number of Warrants	Weighted Average Exercise Price
			\$
Balance, February 28, 2019		200,000	0.100
Issued		415,534	0.155
Balance, February 29, 2020 and May 31, 2020		615,534	0.400

  

Date of Expiry	Exercise Price	May 31, 2020	February 29, 2020
			\$
June 14, 2020 <sup>(1)</sup>	0.155	92,914	92,914
July 10, 2020 <sup>(1)(2)</sup>	0.155	322,620	322,620
November 27, 2021	0.200	200,000	200,000
Total Outstanding and Exercisable		615,534	615,534

<sup>(1)</sup> Subsequent to May 31, 2020, 415,534 warrants expired unexercised.<sup>(2)</sup> Subsequent to May 31, 2020, the Company accelerated warrants that were set to expire on September 4, 2020 to a new expiry date of July 10, 2020.*(e) Stock options*

On May 25, 2020, the Company granted 5,165,000 stock options to certain directors, consultants, and officers with an exercise price of \$0.26 and expiry date of May 25, 2025. The options fully vest on May 25, 2021.

The Company had the following stock options outstanding and exercisable:

	Number of Options	Weighted Average Exercise Price
		\$
Balance, February 28, 2019	700,000	0.20
Granted	115,000	0.16
Balance, February 29, 2020	815,000	0.19
Granted	5,165,000	0.26
Balance, May 31, 2020	5,980,000	0.25

For the three months ended May 31, 2020, the Company recognized share-based compensation expense of \$16,049 (2019 - \$nil) related to stock options.

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

**6. Share capital (continued)***(e) Stock options (continued)*

Date of Expiry	Exercise Price	May 31, 2020	February 29, 2020
	\$		
November 27, 2023 <sup>(1)</sup>	0.200	100,000	100,000
December 10, 2023 <sup>(1)</sup>	0.200	600,000	600,000
January 9, 2025	0.155	85,000	85,000
January 13, 2025	0.160	30,000	30,000
May 25, 2025	0.260	5,165,000	-
Total Outstanding and Exercisable		5,380,000	815,000

The weight average fair value of the options granted, and the assumptions used in the Black-Scholes Option Pricing Model are as follows:

Three months ended	May 31, 2020	May 31, 2019
Risk-free interest rate	0.30%	n/a
Estimated life	5 years	n/a
Expected volatility	130%	n/a
Expected dividend yield	0%	n/a

*(f) Shares in Escrow*

Pursuant to the Fenix acquisition, (note 5), the Company entered into an escrow agreement with certain insiders and shareholders. Pursuant to the escrow agreement, A total aggregate of 23,981,061 shares (the "Escrowed Shares"), have been placed into escrow pursuant to the Escrow Agreements. Fifty percent of the Escrowed Shares held pursuant to the Voluntary Escrow Agreement will be released in four months following the Listing Date, and ten percent of the Escrowed Shares will be released every thirty days thereafter. As at May 31, 2020, 23,981,061 common shares remain held in escrow.

**7. Capital disclosures**

The Company defines its capital as shareholders' equity. The Company manages its capital structure and adjusts 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 do 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.

## FenixOro Gold Corp. (formerly American Battery Metals Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

### 8. Related parties

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company. During the three months ended May 31, 2020 and May 31, 2019, the following related party transactions took place:

	May 31, 2020	May 31, 2019
	\$	\$
Consulting	22,500	48,000
Share-based compensation	12,336	-
Total	34,836	48,000

As at May 31, 2020, the Company was indebted to the CEO of the Company in the amount of \$267,281. This amount was included as part of the cost of acquisition of Fenix (note 5) and is included in accounts payable.

### 9. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets. The types of risk exposure and the way in which such exposures are managed are as follows:

*Credit Risk* - The Company's credit risk is primarily attributable to its liquid financial assets. The Company's primary exposure to credit risk is on its cash. Cash are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

*Liquidity Risk* - Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company's financial liabilities are due within a year.

*Interest rate risk* - Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short term interest rates.

*Foreign currency risk* - Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

*Commodity price risk* - The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

**FenixOro Gold Corp. (formerly American Battery Metals Corp.)**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

**9. Financial instruments (continued)**

*Fair Value* - The Company has various financial instruments comprised of cash, receivables and accounts payable and accrued liabilities.

**10. Contingency**

On April 30, 2020, Califfi Capital Corp. ("Califfi"), a capital pool company listed on the TSX Venture Exchange (the "Exchange"), filed a statement of claim in the British Columbia Supreme Court against, inter alia, Fenix, alleging breach of contract and breach of a duty of good faith, resulting from the failure of the parties to complete a business combination, which would have constituted the "qualifying transaction" of Califfi (as that term is defined under the policies of the Exchange). Fenix had previously signed a letter of intent with Califfi with respect to a proposed business combination, which letter of intent expired pursuant to its terms on May 15, 2019. On June 17, 2020, Fenix filed a statement of defence in the B.C. Supreme Court, and intends to defend any and all claims relating to this litigation, which it considers baseless. Fenix is seeking to have the claim dismissed and to have Califfi be responsible for any costs Fenix may incur.

**11. Subsequent event**

- a) On June 24, 2020, the Company granted 300,000 stock options to certain consultants of the Company. The options are exercisable at a price of \$0.405 per share and expire after 5 years. The options vest on December 24, 2020.
- b) Subsequent to May 31, 2020, the Company issued 600,000 common shares for total of \$120,000 pursuant to the exercise of stock options.
- c) Subsequent to May 31, 2020, the Company issued 7,900,000 common shares for total of \$1,196,375 pursuant to the exercise of warrants.