

STEVENS GOLD NEVADA INC.

Condensed Financial Statements

Three Months Ended December 31, 2019

(Expressed in Canadian Dollars)

(unaudited)



STEVENS GOLD NEVADA INC.Condensed statements of financial position
(Expressed in Canadian dollars)

	December 31, 2019 \$ (unaudited)	September 30, 2019 \$
ASSETS		
Current assets		
Cash	648,221	772,263
Amounts receivable	2,916	2,001
Prepaid expenses	–	13,243
Total current assets	651,137	787,507
Non-current assets		
Mineral property costs (Note 3)	66,362	32,500
Total assets	717,499	820,007
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	43,848	12,033
Total liabilities	43,848	12,033
Shareholders' equity		
Share capital	1,067,100	1,067,100
Warrant reserve	382,212	382,212
Deficit	(775,661)	(641,338)
Total shareholders' equity	673,651	807,974
Total liabilities and shareholders' equity	717,499	820,007

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on February 24, 2020:

/s/ "Terry Fields"
Terry Fields, Director

/s/ "James Bordian"
James Bordian, Director

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

STEVENS GOLD NEVADA INC.

Condensed statements of operations and comprehensive loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended December 31, 2019 \$	Three months ended December 31, 2018 \$
Expenses		
Consulting fees (Note 4)	–	17,500
Management fees (Note 4)	13,500	11,500
Mineral exploration costs (Note 3)	58,169	131,380
Office and miscellaneous (Note 4)	2,503	3,634
Professional fees	41,246	10,553
Rent (Note 4)	4,500	–
Wages and benefits (Note 4)	14,405	–
Total expenses	134,323	174,567
Net loss and comprehensive loss for the period	(134,323)	(174,567)
Loss per share, basic and diluted	(0.01)	(0.02)
Weighted average shares outstanding	15,643,334	11,537,355

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

STEVENS GOLD NEVADA INC.

Condensed statements of changes in equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Warrant reserve \$	Share subscriptions received \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$				
Balance, September 30, 2018	2,500,001	12,500	–	498,600	(39,023)	472,077
Shares issued for cash	11,743,333	704,600	–	(498,600)	–	206,000
Share subscriptions received	–	–	–	200,000	–	200,000
Net loss for the period	–	–	–	–	(174,567)	(174,567)
Balance, December 31, 2018	14,243,334	717,100	–	200,000	(213,590)	703,510
Balance, September 30, 2019	15,643,334	1,067,100	382,212	–	(641,338)	807,974
Net loss for the period	–	–	–	–	(134,323)	(134,323)
Balance, December 31, 2019	15,643,334	1,067,100	382,212	–	(775,661)	673,651

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

STEVENS GOLD NEVADA INC.

Condensed statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Three months ended December 31, 2019 \$	Three months ended December 31, 2018 \$
Operating activities		
Net loss for the period	(134,323)	(174,567)
Changes in non-cash operating working capital:		
Amounts receivable	(915)	(1,156)
Prepaid expenses	13,243	–
Accounts payable and accrued liabilities	31,815	146,744
Net cash used in operating activities	(90,180)	(28,979)
Investing activities		
Acquisition of exploration and evaluation assets	(33,862)	(65,077)
Net cash used in investing activities	(33,862)	(65,077)
Financing activities		
Proceeds from issuance of common shares	–	206,000
Proceeds from share subscriptions received	–	200,000
Net cash provided by financing activities	–	406,000
Change in cash	(124,042)	311,944
Cash, beginning of period	772,263	470,664
Cash, end of period	648,221	782,608

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

STEVENS GOLD NEVADA INC.

Notes to the condensed financial statements

December 31, 2019

(Expressed in Canadian dollars)

(unaudited)

1. Nature of Operations and Continuance of Business

Stevens Gold Nevada Inc. (the "Company") was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's registered office is located at 350 – 1650 West 2nd Avenue, Vancouver, BC.

These condensed financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended December 31, 2019, the Company had no revenues and incurred negative cash flow from operations of \$90,180 and an accumulated deficit of \$775,661. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These condensed financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "*Interim Financial Reporting*". These condensed financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

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

Significant areas requiring the use of estimates include the impairment of mineral property costs and unrecognized deferred income tax assets. Actual results could differ from those estimates.

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

STEVENS GOLD NEVADA INC.

Notes to the condensed financial statements

December 31, 2019

(Expressed in Canadian dollars)

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2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

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

(c) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed financial statements.

3. Mineral Property Costs

Acquisition costs:

	Black Point property \$
Balance, September 30, 2019	32,500
Additions	33,862
Balance, December 31, 2019	66,362

Exploration costs:

Three months ended December 31, 2018:

	Black Point Property \$	Stevens Basin Property \$	Total \$
Assays	–	489	489
Consulting fees	10,675	–	10,675
Filing fees	21,961	35,128	57,088
Geological and geophysics	35,431	25,221	60,653
Rentals	2,475	–	2,475
	70,542	60,838	131,380

Three months ended December 31, 2019:

	Black Point Property \$	Total \$
Filing fees	3,715	3,715
Geological and geophysics	54,454	54,454
	58,169	58,169

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3. Mineral Property Costs (continued)

On October 10, 2018, the Company entered into a Letter of Intent (“LOI”) with Golden Pursuit Resources Ltd. (“GoldPur”) to earn up to a 60% interest in the Black Point Project located in Eureka County, Nevada, USA. Under the terms of the LOI, the Company will have the right to purchase a 60% interest in the property by making a payment of US\$500,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, the Company is to make annual lease payments, which shall not constitute a portion of the purchase price, as follows:

- US\$25,000 within 5 business days after signing (paid);
- US\$25,000 on or before October 10, 2019 (paid);
- US\$25,000 on or before October 10, 2020;
- US\$50,000 on or before October 10, 2021;
- US\$50,000 on or before October 10, 2022; and
- US\$100,000 on or before October 10, 2023 and annually thereafter.

GoldPur shall retain a 2% Net Smelter Return Royalty on the property.

4. Related Party Transactions

- (a) During the three months ended December 31, 2019, the Company incurred management fees of \$3,000 (2018 – \$1,000) to the Chief Financial Officer (“CFO”) of the company.
- (b) During the three months ended December 31, 2019, the Company incurred wages of \$9,750 (2018 – \$nil) and consulting fees of \$nil (2018 – \$12,500) to the son of the CFO of the Company and a company controlled by the son of the CFO of the Company, respectively.
- (c) During the three months ended December 31, 2019, the Company incurred management fees of \$10,500 (2018 – \$10,500) to the President and significant shareholder of the Company.
- (d) During the three months ended December 31, 2019, the Company incurred rent of \$4,500 (2018 – \$nil), parking of \$750 (2018 – \$nil) and overhead of \$750 (2018 – \$nil) to a company with common officers and directors of the Company.

5. Share Capital

Authorized: Unlimited number of common shares without par value.

There were no common share transactions during the three months ended December 31, 2019.

6. Warrant Reserve

- (a) On August 28, 2019, the Company completed a private placement of 248,500 non-transferable special warrants at \$0.25 per special warrant for gross proceeds of \$62,125. Included in this issuance were 4,000 special warrants for proceeds of \$1,000 issued to a significant shareholder of the Company. Each special warrant entitles subscribers to acquire, without payment of any consideration in addition to that already paid, one common share of the Company. Each special warrant will automatically convert into common shares on the earlier of the first business day following the day on which a receipt for a final prospectus has been issued to the Company, or the 240th day following the issuance of the special warrants (April 24, 2020). In connection with the private placement, the Company paid a finder’s fee of \$6,213.

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6. Warrant Reserve (continued)

- (b) On August 29, 2019, the Company completed a private placement of 1,305,200 non-transferable special warrants at \$0.25 per special warrant for gross proceeds of \$326,300. Each special warrant entitles subscribers to acquire, without payment of any consideration in addition to that already paid, one common share of the Company. Each special warrant will automatically convert into common shares on the earlier of the first business day following the day on which a receipt for a final prospectus has been issued to the Company, or the 240th day following the issuance of the special warrants (April 25, 2020).

The following table summarizes information about the special warrants at December 31, 2019 and the changes for the period then ended:

	Number of warrants	Weighted average exercise price \$
Balance, September 31, 2019	1,553,700	0.25
Issued	—	—
Balance, December 31, 2019	1,553,700	0.25

The following table summarizes information about special warrants outstanding at December 31, 2019:

Warrants outstanding	Exercise price \$	Automatic conversion date
248,500	0.25	April 24, 2020
1,305,200	0.25	April 25, 2020
1,553,700		

7. Fair Value Measurements and Risk Management

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2019, as follows:

	Fair value measurements using			Balance, December 31, 2019 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	648,221	—	—	648,221

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

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7. Fair Value Measurements and Risk Management (continued)

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at December 31, 2019, the Company has a cash balance of US\$3,567 and has mineral property option agreement obligations (refer to Note 3) and mineral exploration expenses denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

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

8. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

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. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

9. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in the United States.

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10. Subsequent Event

On February 18, 2020, the Company issued 1,553,700 common shares pursuant to the conversion of special warrants, which automatically converted upon receipt of the Company's final prospectus.