

# **STEVENS GOLD NEVADA INC.**

Condensed Interim Financial Statements

Nine Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(unaudited)

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

	June 30, 2020 \$ (unaudited)	September 30, 2019 \$
<b>ASSETS</b>		
Current assets		
Cash	447,658	772,263
Amounts receivable	3,770	2,001
Prepaid expenses	10,170	13,243
Total current assets	461,598	787,507
Non-current assets		
Mineral property costs (Note 3)	66,362	32,500
Total assets	527,960	820,007
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	7,344	12,033
Total liabilities	7,344	12,033
Shareholders' equity		
Share capital	1,449,312	1,067,100
Warrant reserve	—	382,212
Deficit	(928,696)	(641,338)
Total shareholders' equity	520,616	807,974
Total liabilities and shareholders' equity	527,960	820,007

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 27, 2020:

/s/ "Terry Fields"  
Terry Fields, Director

/s/ "James Bordian"  
James Bordian, Director

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

**STEVENS GOLD NEVADA INC.**

Condensed interim statements of operations and comprehensive loss

(Expressed in Canadian dollars)

(unaudited)

	Three months ended June 30, 2020 \$	Three months ended June 30, 2019 \$	Nine months ended June 30, 2020 \$	Nine months ended June 30, 2019 \$
Expenses				
Consulting fees (Note 4)	25,500	16,000	38,500	74,312
Impairment of mineral property (Note 3)	–	32,578	–	32,578
Management fees (Note 4)	12,500	3,000	39,500	7,000
Mineral exploration costs (Note 3)	9,828	55,915	87,301	242,093
Office and miscellaneous (Note 4)	1,852	12,037	6,901	26,432
Professional fees	7,132	26,413	80,307	38,766
Rent (Note 4)	–	–	9,000	–
Wages and benefits (Note 4)	3,983	9,604	25,849	9,604
Total expenses	60,795	155,547	287,358	430,785
Net loss and comprehensive loss for the period	(60,795)	(155,547)	(287,358)	(430,785)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.02)	(0.03)
Weighted average shares outstanding	17,197,034	15,566,411	16,380,491	13,772,455

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

**STEVENS GOLD NEVADA INC.**

Condensed interim 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	13,143,333	1,054,600	–	(498,600)	–	556,000
Net loss for the period	–	–	–	–	(430,785)	(430,785)
<b>Balance, June 30, 2019</b>	<b>15,643,334</b>	<b>1,067,100</b>	<b>–</b>	<b>–</b>	<b>(469,808)</b>	<b>597,292</b>
Balance, September 30, 2019	15,643,334	1,067,100	382,212	–	(641,338)	807,974
Special warrants converted to common shares	1,553,700	388,425	(388,425)	–	–	–
Special warrant issuance costs converted to share issuance costs	–	(6,213)	6,213	–	–	–
Net loss for the period	–	–	–	–	(287,358)	(287,358)
<b>Balance, June 30, 2020</b>	<b>17,197,034</b>	<b>1,449,312</b>	<b>–</b>	<b>–</b>	<b>(928,696)</b>	<b>520,616</b>

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

**STEVENS GOLD NEVADA INC.**

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

	Nine months ended June 30, 2020 \$	Nine months ended June 30, 2019 \$
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Operating activities		
Net loss for the period	(287,358)	(430,785)
Items not involving cash:		
Impairment of mineral property costs	–	32,577
Changes in non-cash operating working capital:		
Amounts receivable	(1,769)	479
Prepaid expenses	3,073	–
Accounts payable and accrued liabilities	(4,689)	44,724
Net cash used in operating activities	(290,743)	(353,005)
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Investing activities		
Acquisition of exploration and evaluation assets	(33,862)	(65,077)
Net cash used in investing activities	(33,862)	(65,077)
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Financing activities		
Proceeds from issuance of common shares	–	556,000
Net cash provided by financing activities	–	556,000
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Change in cash	(324,605)	137,918
Cash, beginning of period	772,263	470,664
Cash, end of period	447,658	608,582

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

# STEVENS GOLD NEVADA INC.

Notes to the condensed interim financial statements

June 30, 2020

(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 interim 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 nine months ended June 30, 2020, the Company had no revenues and incurred negative cash flow from operations of \$290,743 and an accumulated deficit of \$928,696. 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 interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company’s supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company’s operations and the operations of the Company’s suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company’s business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company’s suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on its business, liquidity, capital resources and financial results.

## 2. Significant Accounting Policies

### (a) Basis of Presentation

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

## STEVENS GOLD NEVADA INC.

Notes to the condensed interim financial statements

June 30, 2020

(Expressed in Canadian dollars)

(unaudited)

### 2. Significant Accounting Policies (continued)

#### (b) Use of Estimates and Judgments

The preparation of these condensed interim 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.

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 interim financial statements.

### 3. Mineral Property Costs

#### *Acquisition costs:*

	Black Point property \$
Balance, September 30, 2019	32,500
Additions	33,862
Balance, June 30, 2020	66,362

## STEVENS GOLD NEVADA INC.

Notes to the condensed interim financial statements

June 30, 2020

(Expressed in Canadian dollars)

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### 3. Mineral Property Costs (continued)

*Exploration costs:*

Nine months ended June 30, 2019:

	Stevens Basin Property \$	Black Point Property \$	Total \$
Assays	1,112	624	1,736
Consulting fees	4,199	14,874	19,073
Filing fees	36,305	25,690	61,995
Geological and geophysics	41,131	114,341	155,472
Rentals	671	3,146	3,817
	83,418	158,675	242,093

Nine months ended June 30, 2020:

	Black Point Property \$	Total \$
Filing fees	23,677	23,677
Geological and geophysics	63,624	63,624
	87,301	87,301

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. On June 21, 2019, the Company terminated the LOI with GoldPur, and impaired all acquisition costs relating to the Stevens Basin Project.

### 4. Related Party Transactions

- (a) During the nine months ended June 30, 2020, the Company incurred management fees of \$8,000 (2019 – \$7,000) to the Chief Financial Officer (“CFO”) of the company.
- (b) During the nine months ended June 30, 2020, the Company incurred wages of \$13,000 (2019 – \$6,500) and consulting fees of \$17,500 (2019 – \$27,500) 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 nine months ended June 30, 2020, the Company incurred management fees of \$31,500 (2019 – \$31,500) to the President and significant shareholder of the Company. As at June 30, 2020, the Company owed the President and significant shareholder of the Company \$5,000, which is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.



## STEVENS GOLD NEVADA INC.

Notes to the condensed interim financial statements

June 30, 2020

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### 4. Related Party Transactions (continued)

- (d) During the nine months ended June 30, 2020, the Company incurred rent of \$9,000 (2019 – \$nil), parking of \$1,500 (2019 – \$nil) and overhead of \$1,500 (2019 – \$nil) to a company with common officers and directors of the Company.

### 5. Share Capital

Authorized: Unlimited number of common shares without par value.

*During the nine months ended June 30, 2020*

On February 21, 2020, the Company issued 1,553,700 common shares upon the automatic conversion of 1,553,700 special warrants due to the receipt of the Company's final prospectus (Note 6(a) and (b)).

*During the nine months ended June 30, 2019*

On October 15, 2018, the Company issued 10,343,333 common shares at \$0.06 per share for proceeds of \$620,600, of which \$498,600 had been received as at September 30, 2018.

On December 6, 2018, the Company issued 1,400,000 common shares at \$0.06 per share for proceeds of \$84,000.

On April 5, 2019, the Company issued 1,400,000 common shares at \$0.25 per share for proceeds of \$350,000.

### 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. On February 21, 2020, the special warrants automatically converted into common shares and were deemed to have been exercised. Refer to Note 5.
- (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). On February 21, 2020, the special warrants automatically converted into common shares and were deemed to have been exercised. Refer to Note 5.

## STEVENS GOLD NEVADA INC.

Notes to the condensed interim financial statements

June 30, 2020

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### 6. Warrant Reserve (continued)

The following table summarizes information about the special warrants at June 30, 2020, and the changes for the period then ended:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2019	1,553,700	0.25
Automatically converted	(1,553,700)	(0.25)
Balance, June 30, 2020	–	–

### 7. Fair Value Measurements and Risk Management

#### (a) Fair Values

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

#### (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 June 30, 2020, the Company has a cash balance of US\$128,505 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.

## **STEVENS GOLD NEVADA INC.**

Notes to the condensed interim financial statements

June 30, 2020

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(unaudited)

### **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.