

**ALTUM RESOURCE CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

For the nine months ended April 30, 2020  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

## **NOTICE TO READER**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The condensed interim financial statements of the Company for the period ended April 30, 2020 have been prepared by and are the responsibility of the Company's management.

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



**ALTUM RESOURCE CORP.**  
**CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)

	Three Months Ended April 30, 2020	Nine Months Ended April 30, 2020
<b>EXPENSES</b>		
Consulting	\$ 15,000	\$ 22,500
Office	2,052	2,092
Investor relations	1,500	1,500
Professional fees	15,145	23,878
Regulatory fees	22,727	22,727
Rent	3,000	4,500
Share based compensation (Note 4 and 5)	-	76,099
<b>Loss and comprehensive loss for the period</b>	<b>\$ (59,424)</b>	<b>\$ (153,296)</b>
<b>Loss per common share</b>		
-Basic and diluted	\$ (0.00)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>		
-Basic and diluted	11,597,779	10,659,125

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

**ALTUM RESOURCE CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOW**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)  
**Supplemental disclosure with respect to cash flows (Note 6)**

	Nine Months Ended April 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss for the period	\$ (153,296)
Items not affecting cash:	
Share-based compensation	76,099
Changes in non-cash working capital items:	
Increase in receivables	(5,610)
Increase in prepaids	(10,000)
Increase in accounts payable and accrued liabilities	491
Net cash used in operating activities	<u>(92,316)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Exploration and evaluation assets	<u>(84,789)</u>
Net cash provided by investing activities	<u>(84,789)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from the issuance of shares	350,000
Share issue costs	<u>(145,853)</u>
Net cash provided by financing activities	<u>204,147</u>
<b>Change in cash during the period</b>	27,042
<b>Cash, beginning of period</b>	<u>162,653</u>
<b>Cash, end of period</b>	\$ 189,695

**Supplemental disclosure with respect to cash flows (Note 6)**

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

**ALTUM RESOURCE CORP.****CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of shares	Amount			
Incorporation February 20, 2019	1	\$ 1	\$ -	\$ -	\$ 1
Share issuance (Note 5)	10,200,000	276,000	-	-	276,000
Share-based compensation (Note 5)	-	-	30,000	-	30,000
Loss for the period	-	-	-	(75,415)	(75,415)
Balance, July 31, 2019	10,200,001	276,001	30,000	(75,415)	230,586
Shares issued for cash;					
Private placement	3,500,000	350,000	-	-	350,000
Share issue costs	-	(155,853)	-	-	(155,853)
Shares issued for non-cash					
Finders fees - shares	100,000	10,000	-	-	10,000
Finders fees - warrants	-	(18,291)	18,291	-	-
Property acquisition	100,000	10,000	-	-	10,000
Share-based compensation (Note 4 and 5)	-	-	76,099	-	76,099
Loss for the period	-	-	-	(153,296)	(153,296)
Balance, April 30, 2020	13,900,001	\$ 471,857	\$ 124,390	\$ (228,711)	\$ 367,536

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Altum Resource Corp. (the “Company”) was incorporated on February 20, 2019 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 3148 Highland Boulevard, North Vancouver, British Columbia, Canada. To date, the Company has not earned operating revenue. On March 6, 2020, the British Columbia Securities Commission issued a receipt for the Company’s Long Form Prospectus and the Company became a reporting issuer in British Columbia and Alberta. On March 26, 2020, the Company’s common shares were listed on the Canadian Securities Exchange (“CSE”) and the Company became a reporting issuer in Ontario. On March 27, 2020, the Company completed its initial public offering (the “IPO”) of 3,500,000 common shares at a price of \$0.10 per common share. The common shares of the Company commenced trading on the CSE, on March 30, 2020 under the trading symbol ALTM.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

As at April 30, 2020, the Company has generated negative cash flows from operating activities and has working capital of \$175,222 and an accumulated deficit of \$228,710. The Company expects to incur further losses in the development of its operations. 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 enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus 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.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company’s operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce resource prices, share prices and financial liquidity and thereby severely limit the financing capital available in the mineral exploration sector.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the period ended July 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended April 30, 2020 are not necessarily indicative of the results that may be expected for the year ending July 31, 2020.

These financial statements were authorized for issue by the Board of Directors on June 29, 2020.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Basis of presentation**

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**New standards and interpretations adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. The following have been adopted by the Company:

- IFRS 16 *Leases*: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this new standards did not have a significant impact on the Company's financial statement.

**3. EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all its properties are in good standing.

	Adam West Canada	Coya Chile	Rio Loa Chile	Total
Balance incorporation February 20, 2019	\$ -	\$ -	\$ -	\$ -
Acquisition costs:				
Cash	5,000	-	-	5,000
Total acquisition costs	5,000	-	-	5,000
Deferred exploration costs:				
Geophysical	40,927	-	-	40,927
Consulting	23,925	-	-	23,925
Report preparation	7,991	-	-	7,991
Assay	11,842	-	-	11,842
Field	7,893	-	-	7,893
Total expenditures for the period	92,524	-	-	92,524
Balance July 31, 2019	\$ 97,524	\$ -	\$ -	\$ 97,524
Acquisition costs:				
Cash	10,000	21,638	50,151	81,789
Shares	10,000	-	-	10,000
Total acquisition costs	20,000	21,638	50,151	91,789
Deferred exploration costs:				
Report preparation	3,000	-	-	3,000
Total expenditures for the period	3,000	-	-	3,000
Balance April 30, 2020	\$ 120,524	\$ 21,638	\$ 50,151	\$ 192,313



**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Adam West Project - Canada**

Pursuant to an option agreement dated April 2, 2019 the Company was granted an option to acquire a 100% undivided interest in the Adam West Project in the Nanaimo Mining Division, British Columbia. To exercise the option, the Company must pay \$105,000 and issue 2,000,000 common share as follows:

	Cash	Common Shares
Upon signing of the Property Option Agreement April 2 (paid) \$	5,000	-
On or before March 26, 2020 (the "Listing Date") (paid)	10,000	-
Within 15 days of the Listing Date (issued)	-	100,000
On or before March 26, 2021	10,000	300,000
On or before March 26, 2022	20,000	400,000
On or before March 26, 2023	30,000	600,000
On or before March 26, 2024	30,000	600,000
<b>Total</b>	<b>\$ 105,000</b>	<b>2,000,000</b>

Upon commencement of commercial production, the optionors will receive a 1.8% Gross Smelter Returns Royalty.

**Rio Loa and Coya Project – Chile**

On April 17, 2020, the Company entered into an assignment and assumption agreement with 1243461 B.C. Ltd. ("3461"), whereby 3461 assigned to the Company all of its rights under two letters of intent with third party vendors. Pursuant to the letters of intent, the Company is expected to enter into definitive agreements with the third party vendors whereby it will be assigned or granted an option to acquire a 100% interest in and to: (i) certain mining concessions comprising approximately 1,000 hectares located in the Diego de Almagro province of the Atacama region, Chile (the "**Rio Loa Project**"); and (ii) certain mining concessions comprising approximately 1,600 hectares located in the Diego de Almagro and Copiapo provinces of the Atacama region, Chile (the "**Coya Project**"). In consideration for the assignment and at the closing of the assignment, the Company issued an aggregate of 4,000,000 common shares in its capital to 3461 or its nominees (Note 9).

**Rio Loa Project – Chile**

Pursuant to the letter of intent with respect to the Rio Loa Project, it is anticipated that the Company will enter into and execute a formal assignment and assumption agreement, whereby a third party vendor will assign to the Company all of its rights, title, benefit and interest under the option agreement to acquire a 100% interest in the Rio Loa Project, subject to a 2% net smelter returns royalty, of which the Company can purchase 1% by paying USD \$3,000,000. As consideration for the assignment of the option agreement and to exercise the option (the "**Rio Loa Option**") for the Rio Loa Project in full, the Company must do the following:

**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

- (a) make aggregate payments of USD \$1,080,000 and complete an expenditure program as follows:

<b>Date</b>	<b>Payment (USD)</b>	<b>Expenditure Program</b>
Upon execution of the Letter of Intent (paid)	\$30,000	--
On or before May 8, 2020 (paid)	\$25,000	--
On or before June 8, 2020 (paid)	\$25,000	--
On or before November 12, 2020	\$30,000	
On or before December 31, 2020	--	2,000 meter drill program
On or before April 12, 2021	\$360,000	--
On or before August 12, 2021	\$250,000	--
On or before December 12, 2021	\$250,000	--
On or before April 12, 2022	\$50,000	--
On or before April 12, 2023	\$60,000	--
<b>TOTAL:</b>	<b>\$1,080,000</b>	<b>2,000 meter drill program</b>

- (b) pay discovery bonus payments (up to a maximum of USD \$5 million) contemplated under the Option Agreement (the "**Vendors Discovery Bonus**") to the vendors in amounts ranging from USD \$2/oz to USD \$5/oz on National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43 101**") compliant measured and indicated mineral resources of gold discovered on the Rio Loa Project;
- (c) pay a discovery bonus equal to USD \$5/oz (on a mineral resource with a 0.3 g/t gold cut-off grade) on the first mineral resource contained in an NI 43-101 compliant technical report, less one-half of the Vendors Discovery Bonus (the "**Additional Discovery Bonus**"); provided that the payment of same will commence upon a production decision having been made on the Project;
- (d) make cash payments in the aggregate amount of USD \$10,000 per annum on April 12th of each year until the first payment is made in respect of the Additional Discovery Bonus; and
- (e) during the term of the Rio Loa Option, the Company will be responsible for maintaining the concessions in good standing and paying all fees and assessments in connection with the Project.

**Coya Project - Chile**

Pursuant to the letter of intent (as amended) with respect to the Coya Project, it is anticipated that the Company will enter into and execute with a third party vendor (i) an assignment and assumption agreement, whereby the Company will be assigned all of the vendors' rights, title, benefit and interest under the option agreement to acquire a 100% interest in a 400 hectare portion of the Coya Project (the "**First Coya Option Agreement**"); and (ii) an option to purchase agreement (the "**Second Coya Option Agreement**"), whereby the Company will be granted an option to acquire a 100% interest in a 1,200 hectare portion of the Coya Project, subject to a 2% net smelter returns royalty on production, of which the Company can purchase 1% by paying USD \$6,000,000. In consideration for (i) the assignment of the First Coya Option Agreement and to exercise the option thereunder, and (ii) the grant of the Second Coya Option Agreement and the exercise of the option thereunder, the Company must do the following:

**3. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

- (a) make aggregate payments of USD \$3,948,000, including a USD \$13,000 payment on execution of the Letter of Intent, as follows:

<b>Date</b>	<b>Payment (USD)</b>
Upon execution of the Letter of Intent (paid)	\$13,000
On or before May 8, 2020 (paid)	\$20,000
On or before June 8, 2020 (paid)	\$15,000
On or before September 8, 2021	\$100,000
On or before March 8, 2022	\$200,000
On or before March 8, 2023	\$300,000
On or before March 8, 2024	\$3,300,000
<b>TOTAL:</b>	<b>\$3,948,000</b>

- (b) make payment in the amount of USD \$75,000 within 90 days of the removal of all travel movements and other restrictions intended to combat the spread of the coronavirus disease imposed by Chilean governmental federal, state and local authorities; and
- (c) during the term of the option for the Coya Project, Altum will be responsible for maintaining the concessions in good standing and paying all fees and assessments in connection with the Project.

**4. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the nine months ended April 30, 2020, key management received share-based compensation in the amount of \$68,638.

**5. SHARE CAPITAL AND RESERVES**

Authorized – Unlimited common shares without par value

During the period ended April 30, 2020, the Company had the following share capital transactions:

- (1) On March 27, 2020, the Company completed its IPO and issued 3,500,000 commons shares as a price of \$0.10 for gross proceeds of \$350,000. The Company paid cash finders fees of \$35,000 and issued 350,000 agent warrants valued at \$18,29. Each agent warrants are exercisable for a period of two years at an exercise price of \$0.10 per agent warrant. Additional share issue costs of \$110,853 were incurred in connection with this IPO and was recorded as an offset to share capital, as share issue costs. The additional share issuance cost includes 100,000 common shares valued at \$10,000 for corporate finance fees.
- (2) On March 27, 2020, the Company issued 100,000 common shares for the acquisition of exploration and evaluation assets at a fair value of \$10,000.

**5. SHARE CAPITAL AND RESERVES (cont'd)**

During the year ended July 31, 2019, the Company had the following share capital transactions:

- (3) The Company issued 1 share on incorporation for proceeds of \$1.
- (4) On March 28, 2019 the Company issued 2,000,000 common shares at a price of \$.005 per common share for gross proceeds of \$10,000. The fair value of the common shares was estimated to be \$40,000. Accordingly, the Company recorded share-based compensation of \$30,000 and a corresponding increase to contributed surplus.
- (5) On April 2, 2019 the Company issued 1,000,000 flow-through common shares at a price of \$.02 per common share for gross proceeds of \$20,000 which the Company is committed to spend in Qualifying Canadian Exploration Expenditures (“CEE”).
- (6) On April 17, 2019 the Company issued 3,100,000 flow-through common shares at a price of \$.02 per common share for gross proceeds of \$62,000 which the Company is committed to spend in Qualifying Canadian Exploration Expenditures (“CEE”).

As at July 31, 2019 the Company has incurred \$66,533 in CEE.

- (7) On May 7, 2019, the Company issued 700,000 common shares at a price of \$.02 per common share for gross proceeds of \$14,000.
- (8) On June 14, 2019, the Company issued 2,000,000 common shares at a price of \$.05 per common share for gross proceeds of \$100,000.
- (9) On July 30, 2019, the Company issued 1,400,000 common shares at a price of \$.05 per common share for gross proceeds of \$70,000.

**Stock Options**

On November 16, 2019, the Company adopted an incentive stock option plan (the “Plan”), which provides that the Board of Directors of the Company (the “Board”) may from time-to-time, at its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares of the Company at the fair market value of such shares on the date the stock options are granted. The maximum number of common shares which may be reserved for issuance under the Plan cannot exceed a rolling 10% of the Company’s issued and outstanding common shares at the time the stock options are granted. Vesting of stock options is at the discretion of the Board and stock options are exercisable for up to a maximum of 10 years, as determined by the Board.

As at April 30, 2020, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Life Remaining
1,020,000	\$0.10	November 16, 2024	4.55

**5. SHARE CAPITAL AND RESERVES (cont'd)**

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at July 31, 2019	-	\$ -
Granted	<u>1,020,000</u>	<u>0.10</u>
As at April 30, 2020	<u>1,020,000</u>	<u>\$ 0.10</u>

During the period ended April 30, 2020, the Company recognized share-based payments expense of \$76,099 (2019 - \$Nil), in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options modified and granted during the period ended April 30, 2020:

Risk-free interest rate	1.48%
Expected life of options	5.00
Annualized volatility	100%
Dividend rate	0%

**Warrants**

The following common share purchase warrants entitle the holders thereof to purchase one common share for each warrant. Warrants transactions are as follows:

	Number of Warrants	Weighted Average Exercise Price
As at July 31, 2019	-	\$ -
Agents' warrants issued	<u>350,000</u>	<u>\$ 0.10</u>
As at April 30, 2020	<u>350,000</u>	<u>\$ 0.10</u>

The weighted average remaining contractual life of warrants outstanding at April 30, 2020, was 1.91 (2019 – Nil) years.

Warrants outstanding are as follows:

Number of Warrants	Exercise Price	Expiry Date
350,000	\$0.10	March 27, 2022
<u>350,000</u>		

## 6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended April 30, 2020:

- issued 100,000 common shares with a fair value of \$10,000 for the acquisition of exploration and evaluation assets.
- Issued 100,000 common shares with a fair value of \$10,000 for a finance fee on the IPO.

Significant non-cash transactions during the period ended July 31, 2019:

- exploration and evaluation assets expenditures in accounts payable of \$8,378.

## 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

### Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

#### *Liquidity risk*

As of April 30, 2020, the Company had cash balance of \$189,695 (July 31, 2019 – \$162,653) to settle current liabilities of \$32,570 July 31, 2019 - \$8,378). The Company is exposed to liquidity risk.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

*Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currency. The Company's property option payments and exploration expenditures on the Chilean properties are in \$US and a change in foreign exchange rates will have an effect on profit and loss.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

**8. CAPITAL MANAGEMENT**

The Company defines capital that it manages as the aggregate of share capital, contributed surplus and deficit.

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 of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential

and if it has adequate financial resources to do so. Management reviews its capital management approach on an

ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

**9. SUBSEQUENT EVENTS**

On June 1, 2020, the Company issued 4,000,000 common shares as consideration for the assignment and assumption agreement to acquire a 100% interest in the Rio Loa and Coya properties in Chile.

On June 4, 2020, the Company completed a non-brokered private placement of 5,792,844 units at price of \$0.10 per unit for gross proceeds of \$579,284. The Company paid a cash finder's fee of \$34,110 and issued 341,099 finders warrants.

**9. SUBSEQUENT EVENTS (cont'd)**

Each Unit will consist of one common share in the capital of the Company and two separate one-half ( one-half) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B", and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively, the "Warrants"). Each whole Warrant A will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.35 per share for a period of 18 months from the closing of the Offering. Each whole Warrant B will entitle the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.50 per share for a period of 18 months from the closing of the Offering. In the event the closing price of the Company's common shares on the CSE is equal to or greater than \$0.45 (for the Warrant As) or \$0.65 (for the Warrant Bs) per common share, respectively, for a minimum of ten consecutive trading days commencing four months and one day after the closing of the Offering, the Company may accelerate the expiry date of the Warrants by providing notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

The Finder's Warrants issued have the same terms and conditions as the subscriber warrants issued under the Offering however, they are non-transferable and have an exercise price of \$0.35 for a period of eighteen months expiring on December 3, 2021.

The Company granted 800,000 incentive stock options to an officer and members of the advisory board at an exercise price of \$0.20 for a period of three years.

The Company had 120,000 incentive stock options exercised and received proceeds of \$12,000.

The Company had 6,400 compensation warrants exercised and received proceeds of \$640.