PACIFIC BAY MINERALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2020

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

PACIFIC BAY MINERALS LTD.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note		June 30, 2020		December 31, 2019
ASSETS					
Current assets					
Cash		$	4,152	$	252
Receivables	4		-		6,368
Prepaid expenses			274		274
			4,426		6,894
Non-current assets					
Equipment	5		2,221		2,468
Exploration and evaluation assets	6		671,006		668,892
Reclamation deposits			17,000		17,000
			690,227		688,360
Total assets		$	694,653	$	695,254
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current liabilities					
Trade and other payables	7	$	139,836	$	167,476
Amounts due to related parties	9		539,586		486,236
Loans payable to related parties	9		107,331		105,793
			786,753		759,505
Non-current liabilities					
Loan payable	8		40,000		-
Total liabilities			826,753		759,505
Shareholders' deficiency					
Share capital	10		13,667,180		13,667,180
Share-based payments reserve	11		2,946,444		2,946,444
Deficit			(16,745,724)		(16,677,875)
Total shareholders' deficiency			(132,100)		(64,251)
Total liabilities and shareholders' deficiency		$	694,653	$	695,254

The consolidated financial statements were authorized for issue by the board of directors on August 29, 2020 and were signed on its behalf by:

"David Brett" Director *"Frank Moyle"* Director

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

PACIFIC BAY MINERALS LTD.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

	Note	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
EXPENSES					
Accounting and audit		$ 1,500	$ 4,300	$ 3,000	$ 6,300
Consulting	9	7,500	7,500	15,000	15,000
Depreciation		124	154	247	309
Filing and transfer agent fees		706	8,660	6,885	10,424
Loan interest	9	2,675	2,500	5,350	5,000
Management fees	9	18,000	18,000	36,000	36,000
Office and miscellaneous		159	1,218	713	1,305
Shareholder information		622	-	877	-
Property investigation costs		-	-	-	1,200
		(31,286)	(42,332)	(68,072)	(75,538)
OTHER ITEMS					
Interest income		191	72	223	72
Net and comprehensive loss for the period		$ (31,095)	$ (42,260)	$ (67,849)	$ (75,466)
Basic and diluted loss per common share	10	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		14,437,911	14,437,911	14,437,911	13,935,052

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

PACIFIC BAY MINERALS LTD.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Unaudited – Prepared by Management)

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total shareholders' deficiency
Balance, December 31, 2019		14,437,911	$ 13,667,180	$ 2,946,444	$ (16,677,875)	$ (64,251)
Net and comprehensive loss for the period		-	-	-	(67,849)	(67,849)
Balance, June 30, 2020		14,437,911	$ 13,667,180	$ 2,946,444	$ (16,745,724)	$ (132,100)

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total shareholders' equity (deficiency)
Balance, December 31, 2018		8,749,323	$ 13,112,995	$ 2,946,444	$ (16,530,817)	$ (471,378)
Net and comprehensive loss for the year		-	-	-	(75,466)	(75,466)
Transactions with shareholders						
Shares issued for debt settlement	10	5,688,588	568,859	-	-	568,859
		5,688,588	568,859	-	-	568,859
Balance, June 30, 2019		8,749,323	$ 13,681,854	$ 2,946,444	$ (16,606,283)	$ 22,015

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

PACIFIC BAY MINERALS LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30
(Unaudited – Prepared by Management)

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (67,849)	$ (75,466)
Items not affecting cash:			
Loan interest		5,350	2,500
Depreciation		247	309
Changes in non-cash working capital items:			
Receivables		6,368	11,500
Trade and other payables		(27,294)	(24,721)
Amounts due to related parties		48,000	48,045
Net cash used in operating activities		(35,178)	(37,833)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(1,449)	(7,767)
Net cash used in investing activities		(1,449)	(7,767)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party loans		527	-
Loan proceeds		40,000	-
Net cash provided by financing activities		40,527	-
Change in cash during the period		3,900	(45,600)
Cash, beginning of the period		252	61,201
Cash, end of the period		$ 4,152	$ 15,601

Supplemental cash flow information (Note 12)

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

1. NATURE OF BUSINESS

Pacific Bay Minerals Ltd. (the "Company") was incorporated under the laws of British Columbia, Canada and maintains its head and registered office at Suite 120, 601 West Cordova Street, Vancouver, British Columbia, Canada, V6B 1G1. The Company is primarily engaged in the acquisition, exploration, and development of mineral properties in Canada. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol "PBM" as a Tier 2 mining issuer.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus ("COVID-19"). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business financial performance, financial position and cash flows in 2020.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bahia Atlantica S.A., an Argentina corporation. All intercompany transactions and balances have been eliminated.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is functional currency of the Company. Each subsidiary of the Company determines its own functional currency, and the financial statement items of each subsidiary are measured using that functional currency.

2. BASIS OF PREPARATION (cont'd…)

Going concern of operations

These consolidated financial statements are prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The Company is an exploration stage company and has incurred losses since inception. The Company had a working capital deficiency of $782,327 and an accumulated deficit of $16,745,724 as at June 30, 2020. The Company does not generate sufficient cash flow from operations to adequately fund its future activities and has relied principally upon the issuance of securities to fund its exploration and administrative expenditures. These conditions raise significant doubt regarding the Company's ability to continue as a going concern.

The Company will require additional capital to fund its future property acquisitions and exploration programs as well as for administrative purposes. There is material uncertainty about whether the Company will be able to obtain additional capital. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these consolidated financial statements. These consolidated financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. 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. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of share-based payments, including stock options and finders' warrants, using stock option pricing models, require the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

2. BASIS OF PREPARATION (cont'd…)

Significant judgements

The preparation of these consolidated financial statements requires management to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements in applying the Company's consolidated financial statements include:

i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgement. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

ii) The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

iii) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended December 31, 2019 were consistently applied to all the periods presented unless otherwise noted below.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted the Company's interim consolidated financial statements.

4. RECEIVABLES

	June 30, 2020	December 31, 2019
Goods and services taxes recoverable	$ -	$ 686
BC Mining Exploration Tax Credit receivable	-	5,682
	$ -	$ 6,368

5. EQUIPMENT

		Field equipment
Cost		
Balance as at December 31, 2019 and June 30, 2020	$	42,413
Accumulated depreciation		
Balance as at December 31, 2019		39,945
Depreciation for the period		247
Balance as at June 30, 2020		40,192
Net book value as at June 30, 2020	$	2,221

		Field equipment
Cost		
Balance as at December 31, 2018 and 2019	$	42,413
Accumulated depreciation		
Balance as at December 31, 2018		39,328
Depreciation for the year		617
Balance as at December 31, 2019		39,945
Net book value as at December 31, 2019	$	2,468

6. EXPLORATION AND EVALUATION ASSETS

		Haskins Reed		Weaver Lake		Wheaton Creek		Total
Balance, December 31, 2019	$	296,261	$	110,525	$	262,106	$	668,892
Acquisition costs								
Claim staking		1,473		-		-		1,473
Deferred exploration expenditures								
Geo-consulting		-		-		641		641
Balance, June 30, 2020	$	297,734	$	110,525	$	262,747	$	671,006

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	Haskins Reed	Weaver Lake	Wheaton Creek	Total
Balance, December 31, 2018	$ 290,095	$ 109,597	$ 255,722	$ 655,414
Deferred exploration expenditures				
Equipment rental	350	-	-	350
Geo-consulting	9,786	1,890	6,384	18,060
Report	21	415	-	436
Travel	314	-	-	314
BC mining exploration tax credit refund	(4,305)	(1,377)	-	(5,682)
	6,166	928	6,384	13,478
Balance, December 31, 2019	$ 296,261	$ 110,525	$ 262,106	$ 668,892

Haskins-Reed Property, British Columbia

The Company holds a 100% interest in certain mineral claims located in the Cassiar Mining Division of British Columbia, subject to a 2% net smelter returns royalty ("NSR").

Weaver Lake (formerly Lode Gold) Property, British Columbia

On February 25, 2014, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in the New Westminster Mining Division of British Columbia. Pursuant to the option agreement, the Company issued 300,000 common shares over a three year period to the optionor and earned a 100% interest in the Weaver Lake property.

The property is subject to a 3% NSR and the Company has the option to purchase up to 2% NSR at a price of $1,500,000 for each 1% NSR. The Company was also granted a right of first refusal to purchase the remaining 1% NSR.

Wheaton Creek (formerly Boulder) Property, British Columbia

On February 25, 2014, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims located in the Stikine Mining Division of British Columbia. Pursuant to the option agreement, the Company issued 1,000,000 common shares over a three year period to the optionor and earned a 100% interest in the Wheaton Creek property.

The property is subject to a 3% NSR and the Company has the option to purchase up to 2% NSR at a price of $1,500,000 for each 1% NSR. The Company was also granted a right of first refusal to purchase the remaining 1% NSR.

7. TRADE AND OTHER PAYABLES

	June 30, 2020	December 31, 2019
Trade payables	$ 106,373	$ 131,513
Accrued liabilities	33,463	35,963
	$ 139,836	$ 167,476

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days. Included in trade payables at June 30, 2020 is $22,927 (December 31, 2019 - $22,927) owing to companies controlled by a significant shareholder of the Company.

During the year ended December 31, 2019, the Company completed debt settlements to settle $157,359 of trade payables in shares, resulting in a gain on settlement of debt of $14,674 (Note 10).

8. LOAN PAYABLE

In June 2020, the Company opened a Canada Emergency Business Account (“CEBA”) and received a loan of $40,000 from the Canadian Government. The loan is unsecured and non-interest bearing until December 31, 2022.

9. RELATED PARTY TRANSACTIONS

	June 30, 2020	December 31, 2019
Amounts due to related parties		
David H. Brett, President and CEO	$ 263,223	$ 234,223
Guilford H. Brett, Director and Chairman	202,139	190,789
Leanora Brett, CFO	74,224	61,224
	$ 539,586	$ 486,236
Loans payable to related parties		
Guilford H. Brett, Director and Chairman	$ 102,935	$ 101,397
David H. Brett, President and CEO	396	396
Alan Qiao, a significant shareholder	4,000	4,000
	$ 107,331	$ 105,793

Amounts due to related parties are for accrued management fees and loan interest and are unsecured, non-interest bearing, and have no specific terms of repayment. During the year ended December 31, 2019, the Company completed debt settlements to settle $190,000 of amounts due to related parties and $221,500 of loans payable to related parties in shares (Note 9).

At June 30, 2020, a total of $22,927 (December 31, 2019 - $22,927) owing to companies controlled by a significant shareholder of the Company is included in trade and other payables.

9. RELATED PARTY TRANSACTIONS (cont'd…)

Included in loans payable to related parties is a loan of $85,000 from Guilford H. Brett, which is unsecured and bears interest at 7% per annum. As at June 30, 2020, the accrued interest on the loan was $73,202 (December 31, 2019 - $67,852). The repayment date of the loan has been extended to December 31, 2020. The remaining loans payable to related parties are advances from related parties and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the six month periods ended June 30 is as follows:

	2020	2019
Short-term employee benefits	$ 51,000	$ 51,000

The Company entered into the following related party transactions during the six month period ended June 30, 2020:

a) Paid or accrued management fees of $36,000 (2019 - $36,000) to the President of the Company and a director of the Company for management services provided.

b) Paid or accrued consulting fees of $15,000 (2019 - $15,000) to the CFO of the Company for corporate consulting services provided.

c) Paid or accrued loan interest of $5,350 (2019 - $5,000) to a director of the Company related to an interest-bearing loan.

10. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At June 30, 2020, the Company had 14,437,911 common shares outstanding (December 31, 2019 - 14,437,911).

Share issuance

During the year ended December 31, 2019, the Company settled $190,000 of amounts due to related parties, $221,500 of loans payable to related parties, and $157,359 of trade payables through the issuance of 5,688,588 common shares with a fair value of $554,185. The settlement resulted in a gain on settlement of debt of $14,674.

Basic and diluted loss per share

The calculation of basic and diluted earnings per share for the six months ended June 30, 2020 was based on the loss attributable to common shareholders of $67,849 (2019 - $75,466) and a weighted average number of common shares outstanding of 14,437,911 (2019 - 13,935,052).

11. SHARE-BASED PAYMENTS

Stock options

The Company has a Stock Option Plan ("the Plan") for directors, officers and employees. The maximum number of common shares to be issued under the Plan is restricted such that it cannot at any given time be more than 10% of the Company's issued and outstanding shares. The number of shares reserved for issuance at any one time to any one person shall not exceed 5% of the outstanding shares issued. Options granted must be exercised no later than two years after the date of the grant or such lesser periods as regulations require.

The Company had no stock option transactions during the years ended December 31, 2019 and the six months ended June 30, 2020. The Company had no stock options outstanding at December 31, 2019 and June 30, 2020.

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2018	1,418,640	$	0.24
Warrants expired	(1,418,640)		0.24
Balance, December 31, 2019 and June 30, 2020	-	$	-

12. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions during the six months ended June 30, 2020 included:

a) Included in trade and other payables are $45,714 related to exploration and evaluation assets.

b) Included in loans payable to related parties are $1,011 related to exploration and evaluation assets.

Significant non-cash transactions during the six months ended June 30, 2019 included:

a) The Company issued 5,688,588 common shares to settle debt of $568,858 due to various creditors and related parties of the Company.

b) Included in trade and other payables are $68,890 related to exploration and evaluation assets.

13. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as FVTPL; trade and other payables, loan payable, amounts due to related parties and loans payable to related parties as subsequently measured at amortized cost financial liabilities. Information on certain types of financial instruments is included elsewhere in these consolidated financial statements as follows: trade and other payables (Note 6), loan payable (Note 8) and loans payable to related parties (Note 9).

The carrying amount of cash, trade and other payables, amounts due to related parties, and loans payable to related parties carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at June 30, 2020, the Company had a cash balance of $4,152 and current liabilities of $786,753. The Company's financial liabilities include accrued expenses and trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and related party loans. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and maturity.

14. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

There have been no changes in these levels and no changes in classifications during the six months ended June 30, 2020.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

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

There were no changes in the Company's approach to capital management from the prior year. The Company is not subject to externally imposed capital requirements.