



(an exploration stage enterprise)

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

NOTICE TO READERS

Under National Instrument 51-102, Part 4.3 (3)(a), if an auditor has not performed a review of the 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 consolidated financial statements of Eros Resources Corp. (an exploration stage company) are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors.

The Company's independent auditors have not performed an audit or review of these condensed interim consolidated financial statements.

"Ronald K. Netolitzky"

Ronald K. Netolitzky
Chief Executive Officer

"Andrew Davidson"

Andrew Davidson
Chief Financial Officer

Vancouver, British Columbia
May 28, 2020

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited - expressed in Canadian dollars)

	Note	March 31, 2020	December 31, 2019
Assets			
Current			
Cash and cash equivalents		\$ 72,456	\$ 224,544
Accounts receivable		179,316	150,034
Promissory notes receivable	9	957,000	165,500
Prepaid expenses		71,107	43,926
Assets held for sale	12	-	2,229,955
		1,279,879	2,813,959
Marketable securities	4	7,058,578	4,138,380
Reclamation bonds		26,179	26,179
Exploration and evaluation interests	5	1,639,224	1,426,144
Property and equipment	6	31,918	32,334
		\$ 10,035,778	\$ 8,436,996
Liabilities			
Current			
Accounts payable and accrued liabilities	8	\$ 450,832	\$ 390,580
Lease liability – short term	11	\$ 11,471	11,471
		462,303	402,051
Lease liability – long term	11	14,456	14,456
Decommissioning liability	10	131,729	131,729
Deferred income tax		2,696,808	2,696,808
		3,305,296	3,245,044
Shareholders' Equity			
Capital stock	7	72,394,552	72,394,552
Contributed surplus	7	1,024,024	1,024,024
Accumulated other comprehensive income		-	-
Deficit		(66,688,093)	(68,226,625)
		6,730,482	5,191,952
		\$ 10,035,778	\$ 8,436,996

Note 1: Going Concern**Note 15: Subsequent Events****On behalf of the Board:***"Tom MacNeill"*

Tom MacNeill, Director

"Ron Netolitzky"

Ron Netolitzky, Director

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(unaudited - expressed in Canadian dollars)

	Capital Stock		Contributed Surplus	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance at January 1, 2019	48,446,854	72,394,552	962,576	(71,015,174)	2,341,954
Share-based payments	-	-	-	-	-
Net income for the period	-	-	-	2,214,343	2,214,343
Balance at December 31, 2019	48,446,854	72,394,552	962,576	(68,800,831)	7,090,148
Balance at January 1, 2020	48,446,854	72,394,552	1,024,025	(68,226,625)	5,191,952
Net income for the period	-	-	-	1,538,532	1,538,532
Balance at March 31, 2020	48,446,854	\$ 72,394,552	\$ 1,024,025	\$ (66,688,093)	\$ 6,730,484

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF (LOSS) / INCOME AND COMPREHENSIVE (LOSS) / INCOME**
(unaudited - expressed in Canadian dollars)

		For the three months ended March 31	
	Note	2020	2019
Revenues			
Oil revenue	8	\$ -	\$ 37,111
Royalties	8	-	(6,801)
Net Revenue		-	30,310
Oil production expenses		(16,608)	(19,042)
Depletion expense		-	-
Gross profit (loss)		(16,608)	11,268
Expenses			
Amortization	7	416	534
Consulting fees	6	7,500	5,640
Investor relations		20,390	75
Office and administration		12,569	8,399
Professional fees		2,021	9,316
Property research		-	-
Share-based payments		-	-
Transfer agent and listing fees		10,127	6,354
Travel		-	2,469
Wages	8	32,745	85,422
		(85,768)	(118,209)
Other items			
Interest income		-	14,178
Gain on sale of marketable securities		(842,352)	(80,433)
Unrealized gain/(loss) on marketable securities		(224,044)	2,402,543
Accretion		-	(970)
Gain on disposal of exploration and evaluation asset		2,723,498	-
Gain (loss) on foreign exchange		(16,195)	(14,034)
Income/(loss) before income taxes		1,538,532	2,214,343
Income taxes			
Deferred income tax recovery		-	-
Net and comprehensive income/(loss) for the period		1,538,532	2,214,343
Basic and diluted income (loss) per share		\$ 0.03	\$ 0.05
Weighted average number of common shares outstanding		48,446,854	48,446,854

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

EROS RESOURCES CORP.*(an exploration stage enterprise)***CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited - expressed in Canadian dollars)

	For the three months ended March 31	
	2020	2019
Cash from operating activities		
Net income (loss)	\$ 1,538,532	\$ 2,214,343
Add back non-cash items:		
Accretion	-	970
Amortization	416	534
Depletion	-	-
Share-based payments	-	-
Gain on sale of marketable securities	(92,352)	80,433
Unrealized loss (gain) on marketable securities	224,044	(2,402,543)
Deferred tax recovery	-	-
Loss (gain) on foreign exchange on cash items	-	14,034
Net changes in non-cash working capital items:		
Accounts receivable and promissory notes	(820,782)	(32,534)
Prepaid expenses	(27,181)	13,678
Accounts payable and accrued liabilities	60,251	(6,737)
Cash used in operating activities	882,928	(117,822)
Investing activities		
Prepaid authorization for expenditures	-	-
Acquisition of marketable securities	(2,184,104)	(224,931)
Proceeds on sale of marketable securities	1,312,500	212,433
Evaluation and exploration expenditures	(163,411)	(309,645)
Cash (used in) / provided by investing activities	(1,035,014)	(322,143)
Decrease in cash during the period	(152,086)	(439,965)
Foreign exchange effect on cash	-	-
Cash and cash equivalents, beginning of the period	224,544	827,405
Cash and cash equivalents, end of the period	\$ 72,458	\$ 387,440
Cash and cash equivalents consist of:		
Cash	\$ 72,458	\$ 387,440
Short-term deposits	-	-
	\$ 72,458	\$ 387,440
Supplemental Cash Flow Information		
Interest received	\$ -	\$ -

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

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(unaudited - expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Eros Resources Corp.'s ("Eros" or the "Company") principal business activities include the acquisition, exploration and development of mineral and oil and gas resource properties in North America. The Company's corporate office is located at Suite 420, 789 West Pender Street, Vancouver, British Columbia V6C 1H2. Eros is a Tier 1 company on the TSX Venture Exchange ("TSX-V").

These condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses that will generate positive cash flow.

The business of mining and exploring for minerals and oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise alternative financing.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting.

These condensed interim consolidated financial statements include the accounts of Eros and its wholly owned subsidiaries, Anthem Resources Incorporated ("Anthem") and Otish Minerals Ltd., both companies incorporated in British Columbia, and Bell Mountain Exploration Corp. ("Bell Mountain"), a company incorporated in Nevada, USA.

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

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

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accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The marketable securities which consist of common shares are based on quoted prices and are therefore considered to be Level 1. The marketable securities which consist of warrants are based on inputs other than quoted prices and therefore considered Level 2. The Company's risk exposures are summarized below:

Credit risk

Credit risk is the risk that the Company will incur an unexpected loss as a result of the counterparty to a financial asset failing to meet their contractual obligations. The Company's financial assets that are exposed to credit risk are cash and cash equivalents, accounts receivable, and promissory notes receivable. The Company holds cash at a major Canadian financial institution in accordance with the Company's investment policy. Management considers credit risk on cash to be low, as the counterparties are highly rated Canadian banks. The Company is exposed to some credit risk on accounts receivable and promissory notes receivable, apart from sales tax refunds receivable.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

Interest rate risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)****Market risk (continued)***Foreign currency risk*

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at March 31, 2019 and December 31, 2018, the Company is exposed to currency risk through the following financial assets denominated in a currency other than the Canadian dollar:

	March 31, 2020		December 31, 2019	
	US \$	CDN \$	US \$	CDN \$
Cash	22,970	40,086	24,327	31,591
Accounts payable	(110,297)	(31,795)	(81,478)	(105,824)

Based on the above, assuming all other variables remain constant, a 10% strengthening of the Canadian dollar against the US dollar would have increased the Company's comprehensive income by \$8,732 (December 31, 2019 - \$5,715). A weakening of the Canadian dollar would have the opposite effect.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value, and are therefore directly affected by fluctuations in the market value of the underlying securities. Changes in market prices of securities in the portfolio have a material effect on net income (loss). A 20% increase in the market prices would have increased the Company's net income by \$1,322,218 (December 31, 2019 - \$859,156). A 20% decrease in the market prices of those securities would have decreased the Company's net income by the same amount.

4. MARKETABLE SECURITIES

Company	March 31, 2020	
	Number of common shares	Equity securities
Aston Bay Holdings	929,445	\$ 51,119
Atico Mining Corp.	312,706	\$ 59,414
Eagle Plains Resources	847,500	72,038
MAS Gold Corp.	4,690,476	422,183
Metallic Minerals Corp.	210,000	31,500
Nickel North Exploration Corp.	10,933,707	109,337
Skeena Resources Limited	3,898,082	3,118,466
Southern Empire Resources Corp.	9,302,940	2,790,882
Strongbow Exploration Inc.	1,639,000	49,170
Taiga Gold Corp.	610,000	57,950
Westcore (Note 9)	8,800,000	88,000
		\$ 6,850,059

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****4. MARKETABLE SECURITIES (continued)**

Company	Number of common shares	Equity securities
Aston Bay Holdings	1,004,445	\$ 85,378
Atico Mining Corp.	312,706	96,939
Bullfrog Gold Corp.	8,750,000	1,312,500
Eagle Plains Resources Ltd.	1,034,000	108,570
MAS Gold Corp.	4,690,476	351,786
Metallic Minerals Corp.	210,000	49,350
Nickel North Exploration Corp.	10,933,707	164,006
Skeena Resources Limited	4,056,082	2,758,136
Strongbow Exploration Inc.	1,668,000	75,060
Taiga Gold Corp.	625,000	56,250
Tarku Resources Ltd.	4,700,000	70,500
Westcore Energy Ltd.	8,800,000	44,000
Other Equities and warrants	-	435,805
		\$ 5,608,280

Securities were purchased and sold during the period, resulting in the realization of gains and losses. The fair value of equity securities is determined by reference to closing prices on a stock exchange. The marketable securities portfolio includes warrants where fair values were estimated using the Black Sholes option pricing model using the following ranges of inputs:

	2019	2019
Stock price	Closing prices	Closing prices
Exercise price	\$0.085 to \$0.60	\$0.085 to \$1.60
Expected life	0.05 to 1.64 years	0.13 to 2.64 years
Annualized volatility	80%	80%
Dividend rate	0%	0%
Risk-free interest rate	0.42% to 0.46%	1.54% to 1.56%

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****5. EXPLORATION AND EVALUATION INTERESTS**

The investment in exploration and evaluation assets to March 31, 2020 has been capitalized as follows:

	British Columbia	Saskatchewan	Nevada	California	Total
Commodity	Gold	Uranium	Non- producing Oil & Gas	Gold-Silver	Gold-Silver
Balance at December 31, 2018	\$ 6,500	\$ 4,601	\$ -	\$ 448,893	-
					\$ 459,994
Additions					
Land cost	-	-	-	-	-
Staking and maintenance	-	-	-	66,183	108,185
Geology/ geophysics	-	4,131	-	453,916	145,130
Field support	-	-	-	63,907	13,571
Environmental and socio-economic	-	-	-	526,107	12,935
Total additions for the period:	-	4,131	-	1,110,113	279,821
					1,394,065
Disposals during the year	-	(2,205)	-	-	-
					(2,205)
Reversal of Impairment	-	-	-	334,345	-
Transfer to asset held for sale				(480,234)	(279,821)
					(760,055)
Balance at December 31, 2019	6,500	6,527	-	1,413,117	-
					1,426,144
Additions					
Acquisition costs	-	-	-	-	-
Staking and maintenance	-	-	-	-	-
Geology/ geophysics	-	-	-	176,117	-
Field support	-	-	-	9,145	-
Environmental and socio-economic	-	-	-	27,818	-
Total additions for the period:	-	-	-	213,080	-
					213,080
Balance at March 31, 2020	\$ 6,500	\$ 6,527	\$ -	\$ 1,626,197	-
					\$ 1,639,224

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(an exploration stage enterprise)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION INTERESTS (continued)**Realization of exploration and evaluation assets**

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment and maintenance of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. There can be no assurance that compensation will be received for properties that have been or may be expropriated. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or if the claims are allowed to lapse.

Title to exploration and evaluation interests

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 conveyance history of many mineral properties. The Company has investigated title to its mineral property interests in accordance with industry standards for the current stage of exploration of such properties, and, to the best of its knowledge, title to its properties are in good standing; however, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)**

5. EXPLORATION AND EVALUATION INTERESTS (continued)**a. Nevada**

In August 2016, the Department of the Navy of the United States Department of Defense (the "Navy") issued a notice of its intent to prepare an environmental impact statement ("EIS") regarding a proposed expansion of the Fallon Range Training Complex, including a proposed withdrawal and reservation of military use of public lands. The Company's Bell Mountain Project consists of unpatented mining claims that are located on federal lands within the proposed expansion area. As a result, surface activity on the Bell Mountain site has been prohibited by the Navy during the EIS period.

On July 10, 2018, the Bureau of Land Management ("BLM") announced that it has submitted an application to withdraw 769,724 acres for land management evaluation purposes for up to four years from all forms of appropriation under public land laws, subject to valid existing rights. The purpose of the withdrawal is to maintain current environmental baseline conditions, relative to mineral exploration and development, subject to valid existing rights, in support of a possible legislative transfer of land to the Department of Navy in furtherance of the Navy's proposed expansion of the Fallon Range Training Complex.

While not assured, the Company has a history of successfully obtaining compensation from governments when exploration rights are infringed upon. Should the expansion of the Fallon Range Training complex cause the Company's exploration rights or water rights to be rescinded or otherwise further infringed upon, the Company intends to seek appropriate compensation. However, in a subsequent notice issued in August 2018, containing a specific listings of the lands subject to the moratorium, the properties held by Eros were specifically excluded from the moratorium, allowing the Company to again commence exploration activities.

Bell Mountain Property

The Company has earned 100% ownership of the Bell Mountain gold-silver property. An Advance Royalty Payment of \$20,000 is due annually on June 15 until such time as there is production from the property (paid during the year ended December 31, 2016). Due to the Navy's proposed EIS regarding the expansion of the Fallon Range Training Complex, exploration activities at Bell Mountain are on hold, and payment of the advance royalty has been deferred by the royalty-holder for the years ended December 31, 2019 and 2018. In conjunction with the updated notice from the BLM in August of 2018 which exempts the Bell Mountain project from the moratorium on exploration activities, the Company is once again actively exploring its Nevada properties.

Eastgate Property

On May 25, 2015, the Company acquired a 30% interest in the Eastgate property in two transactions totalling US\$450,000. During the year ended December 31, 2016, the Company made a second payment of US\$200,000 to increase its property interest to 45%. During the year ended December 31, 2017, the Company impaired the carrying value of the Eastgate property to \$nil. During the year ended December 31, 2019, the Company identified indicators that the impairment loss may no longer exist primarily due to the asset purchase agreement (Note 12). In 2019, the Company recognized a reversal of impairment for \$334,345 related to the Eastgate property.

On November 22, 2019, the Company entered into an asset purchase agreement with Southern Empire Resources (formerly "Owl Capital Corp.") ("Southern Empire"), whereby Southern Empire will purchase the Company's respective interest in the Eastgate property and Oro Cruz property. As such, the Eastgate property

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019

(unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION INTERESTS (continued)

a. Nevada (continued)

was classified as assets held for sale (Note 12). Management assessed the fair value less cost of disposal ("FVLCD") on the Eastgate property and determined the carrying amounts were less than their FVLCD.

b. British Columbia

Golden Triangle

The Company purchased a 5% minor investment interest in certain properties in the Golden Triangle area of northwest BC during the year ended December 31, 2016.

c. Saskatchewan

Saskatchewan uranium interests

Hatchet Lake and Murphy Lake Joint Ventures

The Company has an interest in two joint venture properties with Denison Mines Corp. ("Denison") as operator, located on the Wollaston Trend at the northeast margin of the Athabasca Basin. Eros holds a 29.89% joint venture interest for Hatchet Lake, and 21.04% for Murphy Lake with further dilution expected.

On November 15, 2019, the Company entered into a purchase agreement with Denison, whereby Denison acquired the Company's interest in the Murphy Lake joint venture agreement for 32,262 common shares of Denison. The shares were valued at \$20,970 and a gain of \$18,765 was recorded during the year ended December 31, 2019. During the year ended December 31, 2019, the Company along with Denison decided to reduce the Murphy Lake property by three claims due to management's assessment of prospectively for future exploration work.

Wollaston Trend

The Company has a 2% net smelter return royalty ("NSR") interest on 44 claims of uranium exploration lands along the Wollaston Trend underlying the southeast margin of the Athabasca Formation. Denison retains the right to purchase one-half of the NSR at any time for \$1,000,000.

Athabasca Basin – Uranium

The Company has a 100% interest in six claim groups in the Athabasca Northern Basin of Saskatchewan. Some of the claims are subject to a non-participating, non-voting, carried 0.5% NSR.

Saskatchewan non-producing oil and gas interests

In 2018, the Company agreed to lease 415 hectares of land near its Flaxcombe wells for a 2 year period with an option to extend the lease for an additional 2 years. The Company also acquired 2D and 3D seismic data for the region and had it analysed in order to help identify potential drilling targets. During the year ended December 31, 2018, as the Company decided not to continue exploration on the land, the Company impaired its interests in the Saskatchewan non-producing oil and gas interests in accordance with Level 3 of the fair value hierarchy and recorded an impairment loss of \$82,455.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****5. EXPLORATION AND EVALUATION INTERESTS (continued)****d. California***Oro Cruz Property*

On February 28, 2019, the Company entered into a letter agreement with Lincoln Mining Corp. and Lincoln Gold US Corp. (collectively referred to as "Lincoln") and Demerara Gold Corp. ("Demerara"), whereby the Company, together with Demerara, has agreed to enter into an Option and Joint Venture Agreement to earn up to 75% interest in the Oro Cruz properties. In consideration for Lincoln to enter into the option and joint venture agreement, the Company will have to pay Lincoln US\$10,000 (paid), and commit to purchase a minimum of \$35,000 of Lincoln securities in the next private placement conducted. This commitment was removed subsequently.

On October 1, 2019, the Company, Demerara, and Lincoln, entered into an option and joint venture agreement ("Lincoln Option Agreement"), to earn up to 75% interest in the Oro Cruz properties. The Company together with Demerara, will have to pay Lincoln a total of \$110,000 and incur a total of \$1,000,000 in exploration expenditures by a series of dates to acquire a 51% interest in the Oro Cruz properties ("First Option"). When the First Option has been completed, an additional 24% interest can be earned through a combination of cash payments or exploration expenditures incurred for a total of \$600,000 on or before October 1, 2023.

On November 22, 2019, the Company entered into an asset purchase agreement with Southern Empire, whereby Southern Empire will purchase the Company's respective interest in the Eastgate property and Oro Cruz property. As such, the Oro Cruz property was classified as assets held for sale (Note 12). Management assessed the FVLCD on the Oro Cruz property and determined the carrying amounts were less than their FVLCD.

6. PROPERTY AND EQUIPMENT

Cost	Oil & gas interests and equipment	Mineral exploration field equipment	Total
Balance, December 31, 2018	\$ 392,210	\$ 94,930	\$ 487,140
Additions / disposals	13,257	1,510	14,767
Impairment	(13,257)	-	(13,257)
Balance, December 31, 2019	392,210	96,440	488,650
Additions / disposals	-	-	-
Impairment	-	-	-
Balance, March 31, 2019	\$ 392,210	\$ 96,440	\$ 488,650
Accumulated Amortization			
Balance, December 31, 2018	\$ 392,210	\$ 86,507	\$ 478,717
Amortization / Depletion	-	2,138	2,138
Balance, December 31, 2018	392,210	88,645	480,855
Amortization / Depletion	-	416	416
Balance, March 31, 2019	\$ 392,210	\$ 89,061	\$ 481,271
Carrying Value			
Balance, December 31, 2019	\$ -	\$ 7,795	\$ 7,795
Balance, March 31, 2020	\$ -	\$ 7,379	\$ 7,379

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6. PROPERTY AND EQUIPMENT (continued)*Flaxcombe – heavy oil*

On February 6, 2017, Eros agreed to fund the drilling of three vertical wells into the Flaxcombe heavy oil field, owned by Westcore Energy Ltd. ("Westcore") at an estimated cost of \$1.6 million. This amount has been fully advanced, drilling is complete, and the unspent portion of the funds advanced is shown as part of prepaid expenses. During the year ended December 31, 2018, the amount of \$56,014 advanced as prepaid expenses was repaid to the Company. According to the terms of the agreement with Westcore, Eros will hold a 90% working interest in the wells until its investment is recovered, and will hold a 50% interest thereafter. In addition, Eros retains a right of first refusal to participate on the same terms on two subsequent drill programs on the Flaxcombe field. Westcore is a related party by virtue of having a director in common with the Company.

During the year ended December 31, 2018, the three wells went offline. The wells remained offline during the year ended December 31, 2019, the three wells remained offline. As such, indicators of impairment existed leading to a test of recoverable amount of the oil and gas assets. The Company estimated the recoverable amount based on FVLCD using a discounted cash flow model categorized in Level 3 of the fair value hierarchy. The Company recorded an impairment loss of \$13,257 (2018 - \$346,490).

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS**Authorized**

Unlimited number of common shares without par value

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants. Pursuant to the policies of the TSX-V, the Company is authorized to grant options to acquire up to 10% of its issued and outstanding common shares. The exercise price of each option granted under the plan is greater than or equal to the closing market price of the Company's shares on the date of each grant. The maximum term of each option is five years.

Shares and warrants issued

There was no share capital activity during the quarter ended March 31, 2020 or the year ended December 31, 2019.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)****Share-based payments**

Stock option transactions are summarized as follows:

	Number	Stock Options
		Weighted Average Exercise Price
Outstanding, December 31, 2018	3,481,250	\$ 0.174
Granted	2,400,000	\$ 0.075
Expired	(656,250)	\$ 0.142
Forfeited	(1,150,000)	\$ 0.176
Outstanding, December 31, 2018	4,075,000	\$ 0.122
Granted	-	\$ 0.075
Expired	-	\$ 0.142
Forfeited	-	\$ 0.176
Outstanding, December 31, 2019	4,075,000	\$0.122
Number currently exercisable	2,875,000	\$ 0.122

On July 30, 2019, the board of directors of the Company authorized the grant of 2,400,000 stock options to directors, employees and consultants pursuant to the Company's stock option plan. The options are exercisable at \$0.08 per share. 50% of the options vest immediately, with the remaining 50% vesting 12 months from the grant date. The options expire July 30, 2024, subject to earlier expiry in accordance with the stock option plan and applicable policies of the TSX-V.

The Company recognized share-based payments expense of \$61,449 with a weighted fair value of \$0.05 per option. The weight average assumptions used for the Black-Scholes option-pricing model valuation of stock options granted for the year are as follows: risk-free interest rate of 1.44%, expected life of 5 years, annualized volatility of 80% dividend rate of nil and forfeiture rate of nil.

At March 31, 2020 and December 31, 2019, stock options were outstanding as follows:

Grant date	Number of Shares	Exercise Price	Expiry Date
June 3, 2015	375,000	\$ 0.173	June 3, 2020
June 5, 2015	225,000	\$ 0.173	June 5, 2020
August 16, 2016	675,000	\$ 0.200	August 16, 2021
August 29, 2017	400,000	\$ 0.165	August 29, 2022
July 30, 2019	2,400,000	\$ 0.080	July 30, 2024
	4,075,000		

The weighted average remaining contractual life of the options is 3.30 (2019 – 3.55) years.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****8. RELATED PARTY BALANCES****Key management compensation**

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the three months ended March 31, 2020 and 2019 was as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Share-based compensation	\$ -	\$ -
Short-term benefits ¹	\$ 16,723	\$ 78,351

¹ Remuneration consists exclusively of salaries, bonuses, health benefits and consulting fees.

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments paid to key management personnel during the three months ended March 31, 2020 or March 31, 2019

9. PROMISSORY NOTES RECEIVABLE

On August 21, 2015, as amended June 2016, the Company signed a promissory note agreement with Lincoln and advanced Lincoln a total of US\$71,000. The promissory note bore interest at the rate of 6% per annum until June 30, 2016, and 9% thereafter, and was due for repayment on September 15, 2017. Lincoln and the Company renegotiated the promissory note in 2017, and the Company agreed to accept 643,441 common shares of Lincoln as repayment for US\$23,667 of the debt. The shares were received in January 2018, valued at \$28,955 and a loss on settlement of \$3,217 was recorded. During the year ended December 31, 2018, the promissory note (\$64,553) and interest accrued (\$17,204) was written off and a loss on write off of \$81,757 was recorded.

On May 1, 2019, the Company signed a promissory note agreement with MAS, whereby MAS can borrow up to a limit of \$400,000 from the Company. During the year ended December 31, 2019, the Company advanced MAS a total of \$165,500. The promissory note is non-interest bearing and is payable on demand.

On March 24, 2020, the Company sold 5,000,000 shares of Southern Empire Resources Corp. to unrelated parties in exchange for promissory notes totalling \$750,000. The promissory notes are secured by the shares sold.

EROS RESOURCES CORP.*(an exploration stage enterprise)***Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2020 and 2019****(unaudited - expressed in Canadian dollars)****10. DECOMMISSIONING LIABILITY**

The Company has estimated the total discounted amount of future cash flows to settle decommissioning liabilities relating to its oil and gas interests to be \$130,759 (December 31, 2018 – \$129,789) as at. The total amount is expected to be incurred in the next 10 years and was discounted using an interest rate of 3%.

	Flaxcombe
Balance at December 31, 2018	\$ 129,789
Accretion	970
Balance at December 31, 2019	\$ 130,759
Accretion	-
Balance at March 31, 2020	\$ 130,759

Conversely, at its active mineral-exploration sites, the Company fulfils its site restoration obligations on an ongoing basis when a drill site is no longer required, and accordingly no liability is accrued for in relation to the Company's mineral properties. Management will continue to assess the provision for decommissioning as future exploration and development activity is undertaken.

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for the headquarter office space in Vancouver, British Columbia. Upon transition to IFRS 16, the Company recognized \$35,336 as a ROU asset and \$35,336 as a lease liability as at January 1, 2019.

The continuity of the ROU asset and lease liability for the year ended March 31, 2020 is as follows:

Right-of-use asset		
Value of right-of-use asset as at December 31, 2019	\$	24,539
Amortization		-
Value of right-of-use asset as at March 31, 2020	\$	24,539
Lease liability		
Lease liability recognized as of December 31, 2019	\$	25,927
Lease payments		-
Lease interest		-
Lease liability recognized as of March 31, 2020	\$	25,927
Current portion	\$	11,471
Long-term portion		14,456
	\$	25,927

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12. ASSETS HELD FOR SALE

On November 22, 2019, the Company signed an asset purchase agreement ("Asset Purchase Agreement") with Southern Empire and Demerara, whereby Southern Empire will acquire the Company's interest in the Eastgate property in Nevada and Oro Cruz property in California. The terms of the agreement are as follows:

- The Company agrees to sell, assign and transfer an undivided 45% beneficial interest in the Eastgate property to Southern Empire in consideration for 2,901,275 Southern Empire shares;
- The Company agrees to sell, assign and transfer its entire tight, title and interests in and to the Lincoln Option Agreement, including the exclusive right to acquire up to an undivided 37.5% beneficial interest in the Oro Cruz Property to Southern Empire in consideration for 8,545,000 Southern Empire shares; and
- The Company agrees to sell, assign and transfer the Bullfrog Gold Corp. securities to Southern Empire in consideration for 2,856,665 Southern Empire shares.

Management determined that the Eastgate property and Oro Cruz property meet the definition of assets held for sale and not discontinued operations in accordance with IFRS 5 Non-current assets held for sale and discontinued operations ("IFRS 5"). In accordance with IFRS 5, on the reclassification to assets held for sale, the Company remeasured the Eastgate property to the lesser of the carrying amount and the fair value less costs of disposal. Consequently, the Eastgate property of \$480,234, the Oro Cruz property of \$279,821, and Bullfrog Gold Corp. securities of \$1,469,900 were classified as assets held for sale as at December 31, 2019. The Bullfrog Gold Corp. securities consist of \$1,312,500 in shares and \$157,400 in share purchase warrants.

On March 24, 2020, the Asset Purchase Agreement with Southern Empire has closed. As such, Eros received 14,302,940 common shares of Southern Empire. The shares are held in escrow, whereby 10% of the escrowed shares will be released on closing date and 15% of the escrowed shares will be release each six month period thereafter. The Company also sold 5,000,000 common shares of Southern Empire for proceeds of \$750,000. The shares are currently held in escrow.

Subsequent to the escrow shares received, Eros will hold 22% interest in Southern Empire. Southern Empire and Eros have a common director.

13. SEGMENTED INFORMATION

The Company operates in two business segments with operations and long-term assets in the United States and Canada. The Company's operations are segmented on a district basis due to the geographic locations of the Company's exploration operations. At December 31, 2019, the long-term assets of \$1,439,296 (2019 - \$1,439,296) relates to mineral resource properties and reclamation bonds located in the United States with the remaining of \$4,183,741 (2019 - \$4,183,741) located in Canada. During the quarter ended March 31, 2020, revenue of \$nil (2019 - \$37,278) relates to revenues earned in Canada.

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14. CAPITAL DISCLOSURES

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties, oil and gas exploration and development, and other strategic investments. 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 defines capital as shareholders' equity. The Company is not exposed to any capital requirements.

The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. In addition, the Company evaluates investment opportunities, as well as existing investments, for suitability and potential on an ongoing basis. 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's capital risk management approach continued with the modest change made in 2019 by continuing to deploy more capital into marketable securities. There were no capital restrictions in the quarter ended March 31, 2020 and the Company had no debt.

15. SUBSEQUENT EVENT

On May 22, 2020, the Company announced that it intends to complete a rights offering, issuing a maximum of 48,446,887 units at a price of \$0.05 per unit. Each unit consists of one common share and one half of one common share purchase warrant. Each full warrant is exercisable at a price of \$0.15 per share for a period of 12 months, subject to early expiry in the event that the 20-day weighted average trading price of the common shares exceeds \$0.30.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.