

NOBLE METAL GROUP INCORPORATED

Interim Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

NOBLE METAL GROUP INCORPORATED

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March 31, 2020

(Expressed in Canadian Dollars)

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Management's Responsibility for Financial Reporting

The accompanying unaudited interim financial statements of Noble Metal Group Incorporated (the "Company") as at March 31, 2020 and for the three months then ended have been prepared by and is the responsibility of the Company's management. In accordance with National Instrument 51 – 102, the Company discloses that its auditors have not reviewed the accompanying interim financial statements as at March 31, 2020 and for the three months then ended.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Dorothy Dennis"

Director

"Scott Thomson"

Director

NOBLE METAL GROUP INCORPORATED
INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	<i>March 31,</i> <i>2020</i>	<i>December 31,</i> <i>2019</i>
ASSETS		
Current		
Cash	\$ 439	\$ 569
Tax recoverable	233	-
Investments	1	1
Total current assets	673	570
Reclamation deposits	40,058	40,058
Equipment (Note 5)	30,482	32,082
Exploration and evaluation assets (Note 6)	5,849,843	5,847,458
TOTAL ASSETS	\$ 5,921,056	\$ 5,920,168
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 147,705	\$ 150,454
Tax payable	-	466
Directors' and shareholders' loans (Note 7)	1,043,160	1,030,476
Gold contracts payable, current (Notes 7 and 8)	2,320,628	2,027,591
Total current liabilities	3,511,493	3,208,987
Gold contracts payable (Notes 7 and 8)	4,954,534	4,328,899
Total liabilities	8,466,027	7,537,886
Shareholder capital and deficit		
Share capital (Note 9)	15,052,310	15,052,310
Contributed surplus	1,540,640	1,540,640
Accumulated other comprehensive loss	(491)	(491)
Deficit	(19,137,430)	(18,210,177)
Total shareholders' (deficit)	(2,544,971)	(1,617,718)
TOTAL LIABILITIES AND EQUITY	\$ 5,921,056	\$ 5,920,168

Going Concern of Operations (Note 2 (c))

Approved and authorized by the Board on July 03, 2020

"Dorothy Dennis" Director

"Scott Thomson" Director

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	<i>Three Months Ended March 31, 2020</i>	<i>Three Months Ended March 31, 2019</i>
Administrative expenses		
Automobile and travel	\$ 345	\$ 381
Bank charges and interest	271	488
Depreciation (Note 5)	84	104
Office facilities, services and supplies	707	831
Professional fees	4,005	57
Public relations and printing	-	48
Transfer agent, filing and exchange fees	3,173	2,565
	(8,585)	(4,474)
Other income (expenses)		
Foreign exchange gain	4	1,254
Gain (loss) on gold contracts payable (Note 8)	(918,672)	67,231
Income (loss) and comprehensive income (loss) for the period	\$ (927,253)	\$ 64,011
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding		
Basic and diluted	102,483,356	74,342,631

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	<u>Common shares</u>				<i>Accumulated Other Comprehensive Income (loss)</i>		<i>Deficit</i>	<i>Shareholders' Equity</i>
	<i>Number</i>	<i>Amount</i>	<i>Contributed Surplus</i>					
Balance at December 31, 2018	74,342,631	\$ 14,911,601	\$ 1,540,640	\$	(491)	\$	(19,235,415)	\$ (2,783,665)
Net income for the period	-	-	-	-	-		64,011	\$ 64,011
Balance at March 31, 2019	74,342,631	\$ 14,911,601	\$ 1,540,640	\$	(491)	\$	(19,171,404)	\$ (2,719,654)
Issuance of common shares for settlement of debt	28,141,725	140,709	-	-	-		-	140,709
Net income for the period	-	-	-	-	-		961,227	961,227
Balance at December 31, 2019	102,483,356	\$ 15,052,310	\$ 1,540,640	\$	(491)	\$	(18,210,177)	\$ (1,617,718)
Net income for the period	-	-	-	-	-		(927,253)	\$ (927,253)
Balance at March 31, 2020	102,483,356	\$ 15,052,310	\$ 1,540,640	\$	(491)	\$	(19,137,430)	\$ (2,544,971)

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	<i>Three Months Ended March 31, 2020</i>	<i>Three Months Ended March 31, 2019</i>
Cash flows from operating activities		
Net income (loss) for the period	\$ (927,253)	64,011
Less: Items not affecting cash		
Depreciation	104	104
Unrealized foreign exchange (gain) loss	(1,247)	(1,247)
Unrealized (gain) loss on gold contracts payable	(67,231)	(67,231)
Changes in non-cash working capital		
Sales tax recoverable	342	342
Accounts payable and accrued liabilities	2,370	2,370
Total cash used by operating activities	(11,945)	(1,651)
Cash flows from investing activities		
Mineral and deferred exploration expenditures	(869)	(5,915)
Total cash used in investing activities	(869)	(5,915)
Cash flows from financing activities		
Increase in directors and shareholder loans	12,684	7,630
Total cash provided by financing activities	12,684	7,630
Total increase (decrease) in cash during the period	(130)	64
Cash, beginning of the period	569	467
Cash, end of the period	\$ 439	531

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION

Noble Metal Group Incorporated (“NMG” or the “Company”) is a junior resource public company incorporated under the laws of the province of British Columbia, Canada. The Company’s shares are listed on the TSX Venture Exchange (“TSX.V”) under the trading symbol “NMG”. Its principal business activity is the exploration and development of mineral properties.

The Company’s registered office is located at PO Box 1145, Vedder Crossing 1, Chilliwack, British Columbia, Canada V2R 3N7.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

2. BASIS OF PREPARATION

a) Statement of Compliance

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation of the IFRS Interpretations Committees.

The financial statements were authorized for issue by the Board of Directors on July 03, 2020.

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments which are measured at fair value (“FVTPL”) and fair value through other comprehensive income (“FCTOCI”), as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Going Concern of Operations

These financial statements have been prepared assuming the Company will continue on a going concern basis. As at March 31, 2020, the Company has an accumulated deficit of \$19,137,430 (December 31, 2019 - \$18,210,177) and working capital deficiency of \$3,510,820 (December 31, 2019 - \$3,208,417).

These financial statements have been prepared on a going concern basis which assumes that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to enter extension agreements with the gold contract holders, to raise adequate financing and to develop profitable operations. The Company may not have sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. As a result, there is a material uncertainty that may cast a significant doubt about the Company’s ability to continue as a going concern.

These statements do not reflect adjustments to carrying values and classifications of the assets and liabilities that might be necessary should the Company be unable to continue realizing its assets and discharging its liabilities in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below were adopted for the year ending December 31, 2019 and have been applied consistently to all periods presented in these financial statements with the exception of the adoption of new accounting standards as described below.

Adoption of new accounting standards

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant.

The Company adopted IFRS 16 effective from January 1, 2019 using modified retrospective approach. The adoption does not have impact on the Company's financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments

The Company adopted IFRIC 23 on January 1, 2019 with retrospective application. IFRIC 23 clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. The effect of uncertain tax treatments is recognized at the most likely amount or expected value. The adoption of IFRIC 23 did not have any impact on the Company's financial results or disclosures.

Cash

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

Equipment and Depreciation

The Company records its acquisition of equipment at cost. Depreciation is charged to operations on a declining cost basis at the following annual rates and half-year rule apply on the year of purchase:

Mining and plant equipment	10% to 20%
Office equipment	20%
Building	4%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets and crediting all revenues received against the cost of the related interests. Such costs, include, but are not limited to, geological and geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs, related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognized as income any costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

Upon transfer of exploration and evaluation costs into mine development, all subsequent expenditures on the construction, installation or completion of infrastructure facilities is capitalized within mine development. After production starts, all assets included in mine development costs are transferred to producing mines.

Impairment of Non-Financial Assets

The Company reviews and evaluates its property, including exploration and evaluation assets, equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flow estimates are based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of equipment and mineral properties when those obligations result from the acquisition, construction, development or normal operation of associated assets. The net present value of future retirement cost estimates arising from the decommissioning of assets is capitalized to the associated asset along with a corresponding increase in the retirement obligation in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The retirement asset is depreciated on the same basis as the associated assets.

The Company's estimates of asset retirement obligations could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the associated asset with a corresponding entry to the retirement provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an on-going basis during production are charged to the statements of operations and comprehensive loss in the period incurred.

Future asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

Based on the assessment, the Company did not have any significant asset retirement obligations at the reporting dates.

Mining Exploration Tax Credits

Mining tax credits are recorded as a reduction of the related deferred exploration expenditures upon receipts from the Canada Revenue Agency ("CRA"). These non-repayable mining credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration expenditures.

Gold Contracts Payable

Gold contracts payable are valued at the market value of gold less a discount of 12% to 28% as set out in the respective agreements at each reporting date. Gains or losses on gold contracts payable are included in the statements of operations and comprehensive income (loss).

When contracts expired, management would renew the contracts with creditors. However, when the Company is unable to renew the contracts with deceased investors or with the representatives of their legal estates, and the contracts have passed the limitation period according to the British Columbia Limitation Act, the Company estimates its liability for these gold contracts payable under three scenarios: 1) all the contracts will be successfully renewed; 2) all the contracts could not be renewed are expected to be settled under the original terms of the most recent agreement; 3) all the contracts could not be renewed and are not expected to be settled are written off.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings (Loss) per Share

Basic net earnings or loss per share is calculated by dividing the net earnings or loss by the weighted average shares outstanding for the period. Diluted net earnings or loss per share is calculated using the treasury stock method by dividing net earnings or loss by the diluted weighted average shares outstanding for the period. Options under the share-based payment plan that have a dilutive impact are assumed to have been exercised on the date granted and are included in the diluted weighted average shares.

Comprehensive Income

Comprehensive income consists of net earnings and Other Comprehensive Income ('OCI'). OCI comprises the change in the fair value of the effective portion of the derivatives used in a cash flow hedge and the change in fair value of any FVTOCI financial instruments. Amounts included in OCI are shown net of tax.

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries, and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign Currency Transactions

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in the statements of operations and comprehensive loss in the current year.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

- Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

- Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where an entity is allowed to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at fair value through profit or loss ("FVTPL") to present subsequent changes in FVTOCI.

- Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Financial liabilities are initially recognized at fair value plus or minus transactions costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL.

The Company initially recognizes financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognized when their contractual obligations are discharged, cancelled or have expired. Any adjustment to the amortized cost of the financial liability arising from a modification or exchange is recognized in profit or loss at the date of the modification or exchange.

The classification of the Company's financial instruments is as follows:

	Classification
Financial Assets	
Cash	Amortized cost
Reclamation deposits	Amortized cost
Investments	FVTPL
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Directors' and shareholders' loans	Amortized cost
Gold contracts payable	FVTPL

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Statements of Operations and Comprehensive Loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

4. ESTIMATES, ASSUPTIONS AND MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- **Impairment of exploration and evaluation assets**

The estimated value of the exploration and evaluation costs which is recorded in the statement of financial position and the assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable.

- **Deferred taxes**

The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- **Going concern assumption**

The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through the issuance of share capital involves judgment. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations (see Note 2 c)).

NOBLE METAL GROUP INCORPORATED
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
March 31, 2020

5. EQUIPMENT

	Mining plant and equipment	Office equipment	Total
	\$	\$	\$
Cost			
March 31, 2020 and December 31, 2019	543,600	24,037	567,637
Accumulated Depreciation			
December 31, 2019	513,197	22,358	535,555
Depreciation	1,516	84	1,600
March 31, 2020	514,713	22,442	535,555
Net Book value as at March 31, 2020	28,887	1,595	30,482

	Mining plant and equipment	Office equipment	Total
	\$	\$	\$
Cost			
December 31, 2019 and 2018	543,600	24,037	567,637
Accumulated Depreciation			
December 31, 2018	505,597	21,938	527,535
Depreciation	7,600	420	8,020
December 31, 2019	513,197	22,358	535,555
Net Book value as at December 31, 2019	30,403	1,679	32,082

NOBLE METAL GROUP INCORPORATED
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
March 31, 2020

6. EXPLORATION AND EVALUATION ASSETS

	December 31, 2018			December 31, 2019			March 31, 2020	
	<i>Additions</i>	<i>Recovery</i>		<i>Additions</i>	<i>Recovery</i>			
a) Placer Mining Properties, Cariboo Mining Division, British Columbia								
Acquisition	\$ 1,028,229	\$ -	\$ -	\$ 1,028,229	\$ -	\$ -	\$	1,028,229
Exploration	3,075,231	15,000	(32)	3,090,199	-	-		3,090,199
Impairment	(1,594,585)	-	-	(1,594,585)	-	-		(1,594,585)
	2,508,875	15,000	(32)	2,523,843	-	-		2,523,843
b) Cariboo Mineral Claims, Cariboo Mining Division, British Columbia								
Acquisition	3,027	-	-	3,027	-	-		3,027
Exploration	6,675,290	73,337	(472)	6,748,155	2,385	-		6,750,540
Impairment	(3,427,567)	-	-	(3,427,567)	-	-		(3,427,567)
	3,250,750	(73,337)	(472)	3,323,615	2,385	-		3,326,000
Total	5,759,625	\$ 88,337	\$ (504)	\$ 5,847,458	\$ 2,385	\$ -	\$	5,849,843

The Cariboo mineral claims and placer mining leases are controlled 100% by the Company and are contiguous.

The exploration and evaluation costs additions included below:

	March 31, 2020	December 31, 2019
Depreciation	\$1,516	\$7,600
Camp communications	350	894
Equipment repairs and maintenance	-	500
Fuel	-	2,086
Geological and geophysical	-	53,951
Labour and supervision	-	6,047
Subcontractor	-	-
Operating and camp supplies	13	4,230
Permits, licenses and fees	506	4,727
Travel and vehicle rental	-	8,302
Total exploration and evaluation costs additions	\$2,385	\$88,337

The Company does reclamation work on an on-going basis and is required to maintain reclamation deposits of \$40,000 which are not available for general use by the Company. The deposits are 1-year term deposits with automatic annual renewals. As at December 31, 2019, the Company has deposits of \$40,058 (December 31, 2019 - \$40,058).

7. RELATED PARTY TRANSACTIONS

Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

	<i>March 31, 2019</i>	<i>December 31, 2019</i>
a) Directors and former directors' loans, bearing no interest	\$ 745,080	\$ 732,396
All amounts due to related parties are unsecured and have no specified terms of repayment.		
b) Gold contracts payable to directors (Note 8)	\$ 1,666,530	\$ 1,456,089
c) Amounts paid or accrued to directors, officers and shareholders of the Company for exploration consulting and administrative fees		
i) Included in exploration and evaluation assets	\$ -	\$ 5,775

The above transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. GOLD CONTRACTS PAYABLE

At March 31, 2020, the Company has outstanding agreements to deliver 3,748 troy ounces of raw gold (December 31, 2019 – 3,748 troy ounces) in consideration for unsecured advances. These payable amounts arose per the following.

During the period ended March 31, 2020 and December 31, 2019 and 2018, the Company did not entered into any gold purchase contracts.

During the year ended December 31, 2019, the Company has written off 355 ounces of gold purchase contracts with payable amount of \$617,950, according to the assessment under BC Limitation Act.

During the year ended December 31, 2018, the Company has written off 246 ounces of gold purchase contracts with payable amount of \$376,576, according to the assessment under BC Limitation Act. The Company also has converted 741 ounces of gold purchase contracts into shareholder loan payable and accounts payable. The Company recorded \$204,938 gain on the conversion.

These liabilities have been recorded in the accounts based on the current value of gold discounted as specified in the gold contracts.

	<i>March 31, 2020</i>	<i>December 31, 2019</i>
Total troy ounces of raw gold	3,748	3,748
Current	\$ 2,320,628	\$ 2,027,591
Long-term	4,954,533	4,328,899
Total	\$ 7,275,162	\$ 6,356,490

The Company recorded loss of \$918,672 on gold contracts payable during the period ended March 31, 2020 (December 31, 2019 – loss of \$809,702).

9. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares – without par value. Total number of shares issued and outstanding is 102,483,356 as at March 31, 2020 (December 31, 2019 - 102,483,356).

b) Issued Shares:

During the year ended December 31, 2019, the Company has issued a total 28,141,725 common shares to settle outstanding debts of the Company totalling \$1,407,086. The Company recorded \$1,266,377 gain on debt settlement by using the market price of the Company's common shares on the date of transaction as the fair value of shares issued.

c) Warrants:

As at March 31, 2020 and December 31, 2019, no warrants were issued or outstanding.

d) Stock options

The Company's 2014 rolling stock option plan provides for the grant of incentive stock options for up to 10% of the number of common shares issued and outstanding. Participants may be employees, consultants, directors and officers of the company. Options can be granted for a term of up to five years from the date of grant. Stock options granted generally vest over a period of four months from the date of grant.

The Company measures compensation costs relating to stock options granted to employees and non-employees using the fair value based method. Under this method, the compensation costs are determined based on the fair value of the options at the date granted using the Black-Scholes option-pricing model.

As at March 31, 2020 and December 31, 2019 no stock options were issued or outstanding.

10. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations for the years ended December 31, 2019 and 2018:

		2019		2018
Loss before taxes	\$	1,025,238	\$	148,945
Statutory tax rate		27.00%		27.00%
Expected income tax recovery		276,813		40,214
Non-deductible items		62		1,586
Change in deferred tax asset not recognized		(276,875)		(41,800)
Total income tax expense recovery (expense)	\$	-		-

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10. INCOME TAXES (Continued)

The unrecognized deductible temporary differences as at December 31, 2019 and 2018 are comprised of the following:

		2019		2018
Non-capital loss carry-forwards	\$	1,754,073	\$	3,037,014
Equipment		413,635		405,599
Exploration and evaluation assets		543,765		543,595
Gold contracts payable		4,566,351		4,282,203
Unrealized foreign exchange loss		9,844		36,648
Unrecognized deductible temporary differences	\$	7,287,668	\$	8,305,059

The Company has non-capital loss carry-forwards, for which no deferred tax asset has been recognized of approximately \$1,754,073 (2018: \$3,037,014) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

<u>Expiry</u>	<u>Total</u>
2029	567,747
2030	300,778
2031	247,459
2032	196,167
2033	101,938
2034	110,901
2035	-
2036	74,598
2037	56,295
2038	49,463
2039	48,727
TOTAL	\$ 1,754,073

11. FINANCIAL INSTRUMENTS

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In management of capital, the Company includes the components of shareholders' equity as well as cash, receivables and current liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash. The Company does not have any major capital expenditures committed for the current year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2020 and twelve months ended December 31, 2019.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

11. FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company has cash balances of \$439 (December 31, 2019 - \$569) to settle accounts payable and accrued liabilities of \$147,705 (December 31, 2019 - \$150,454). The Company currently does not have sufficient funds to sustain operations. The Company will need additional funding to meet working capital and mineral property requirements.

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 prices.

- Interest rate risk

The Company is not exposed to significant interest rate risk.

- Foreign currency risk

As at March 31, 2020 and December 31, 2019, the Company's expenditures are primarily in Canadian dollars and any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it is not exposed to significant foreign exchange rate risk.

- Commodity price risk

The fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Profitability of the Company depends on metal prices for gold. Gold price is affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world.

As part of the Company's gold contract payable financing, the Company has commitments for future delivery of 3,748 troy ounces (December 31, 2019– 3,748 troy ounces) of raw gold in consideration for unsecured advances.

The carrying values of the Company's gold contracts payable are subject to increase or decrease depending on the price of gold and the exchange rate between the Canadian and US dollar and could have a significant impact on earnings. A \$100 US change per ounce in the price of gold as at December 31, 2019, would have resulted in an approximate \$563,000 decrease or increase in the Company's pre-tax losses for the period. This impact would have no effect on cash flows until the requirement of the Company to deliver the underlying commodity (gold) falls due.

11. FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

Financial instruments recorded at fair value are measured using a three-level fair value hierarchy:

Level 1	Fair value is determined by reference to quoted prices in active markets for identical assets and liabilities
Level 2	Fair value is determined based on inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly
Level 3	Fair value is determined based on inputs that are unobservable and significant to the overall fair value measurement

Financial instruments that are measured at fair value through profit and loss include investments which is grouped into level 1 and gold contracts payable which is grouped into level 2.

Financial instruments that are not measured at fair value on the balance sheet are cash, reclamation bonds, accounts payable and accrued liabilities and directors' and shareholders' loans. The fair value of these financial instruments approximates their carrying value due to their limited term nature.

12. SUBSEQUENT EVENT

Subsequent to March 31, 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.