SILVER GRAIL RESOURCES LTD.

Condensed Financial Statements

Three Months Ended June 30, 2020

(Expressed in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditors, Manning Elliott LLP, have not performed a review of these condensed financial statements.

SILVER GRAIL RESOURCES LTD.
Condensed statements of financial position
(Expressed in Canadian dollars)

	June 30, 2020 $ (unaudited)	March 31, 2020 $
Assets		
Current assets		
Cash	142,568	60,986
Marketable securities (Note 3)	45,469	29,112
Amounts receivable	6,949	6,867
Prepaid expenses	3,000	–
Total current assets	197,986	96,965
Non-current assets		
Reclamation deposits (Note 5(d))	2,500	2,500
Property and equipment (Note 4)	247	264
Exploration and evaluation assets (Note 5)	1,001,977	1,001,854
Total non-current assets	1,004,724	1,004,618
Total assets	1,202,710	1,101,583
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	11,404	16,139
Due to related parties (Note 6)	118,642	117,726
Total liabilities	130,046	133,865
Shareholder's equity		
Share capital	6,985,431	6,985,431
Share subscriptions received (Note 7)	90,157	–
Share-based payment reserve	892,075	892,075
Deficit	(6,894,999)	(6,909,788)
Total shareholder's equity	1,072,664	967,718
Total liabilities and shareholder's equity	1,202,710	1,101,583

Going concern (Note 1)
Subsequent event (Note 10)

Approved and authorized for issuance on behalf of the Board on August 28, 2020:

/s/ "Dino Cremonese"
Dino Cremonese, Director

/s/ "Robert Smiley"
Robert Smiley, Director

(The accompany notes are an integral part of these financial statements)

SILVER GRAIL RESOURCES LTD.

Condensed statements of operations and comprehensive loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2020 $	Three months ended June 30, 2019 $
Expenses		
Consulting	–	4,200
Depreciation	17	23
Office and miscellaneous	10	18
Transfer agent and regulatory fees	1,541	679
Travel	–	946
Total expenses	1,568	5,866
Loss before other income	(1,568)	(5,866)
Other income		
Option proceeds in excess of capitalized costs	–	5,000
Unrealized gain on marketable securities (Note 3)	16,357	21,394
Total other income	16,357	26,394
Net loss and comprehensive income for the period	14,789	20,528
Earnings per share, basic and diluted	–	–
Weighted average number of common shares outstanding	28,374,622	27,774,622

(The accompany notes are an integral part of these financial statements)

SILVER GRAIL RESOURCES LTD.
Condensed statements of changes in equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Share subscriptions received	Share-based payment reserve	Deficit	Total Shareholders' equity
	Number of shares	Amount $	$	$	$	$
Balance, March 31, 2020	28,374,622	6,985,431	–	892,075	(6,909,788)	967,718
Share subscriptions received	–	–	90,157	–	–	90,157
Net income for the period	–	–	–	–	14,789	14,789
Balance, June 30, 2020	28,374,622	6,985,431	90,157	892,075	(6,894,999)	1,072,664
Balance, March 31, 2019	27,774,622	6,937,431	–	892,075	(6,855,874)	973,632
Net income for the period	–	–	–	–	20,528	20,528
Balance, June 30, 2019	27,774,622	6,937,431	–	892,075	(6,835,346)	994,160

(The accompany notes are an integral part of these financial statements)

SILVER GRAIL RESOURCES LTD.
Condensed statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2020 $	Three months ended June 30, 2019 $
Operating activities		
Net loss for the period	14,789	20,528
Items not involving cash:		
Depreciation	17	23
Option proceeds in excess of capitalized costs	–	(5,000)
Unrealized gain on marketable securities	(16,357)	(21,394)
Changes in non-cash operating working capital:		
Amounts receivable	(82)	(150)
Prepaid expenses	(3,000)	(1,500)
Accounts payable and accrued liabilities	(4,735)	(519)
Due to related parties	916	127
Net cash used in operating activities	(8,452)	(7,885)
Investing activities		
Exploration and evaluation asset expenditures	(123)	–
Mineral property option payment proceeds	–	5,000
Net cash provided by (used in) investing activities	(123)	5,000
Financing activities		
Proceeds from shares subscriptions received	90,157	–
Net cash provided by financing activities	90,157	–
Change in cash	81,582	(2,885)
Cash, beginning of period	60,986	55,706
Cash, end of period	142,568	52,821
Non-cash investing and financing activities:		
Exploration and evaluation asset expenditures included in amounts due to related parties	–	5,275

(The accompany notes are an integral part of these financial statements)

1. Nature of Operations and Going Concern

Silver Grail Resources Ltd. (the "Company") is an exploration stage company and is in the business of acquiring, exploring and dealing in mineral properties in the province of British Columbia, Canada. There has been no determination whether properties held contain economically recoverable ore reserves. The Company jointly conducts business and exploration activities with another publicly listed company, Teuton Resources Corp. ("Teuton"). Teuton shares office premises and consultants and has common officers and directors. The Company's head office and principal place of business is located at 2130 Crescent Road, Victoria, BC.

In the ordinary course of business, the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party. The Company attempts to realize upon the value of securities as opportunities present themselves. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

These condensed financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2020 the Company has no source of revenue, generates negative cash flow from operating activities, and has an accumulated deficit of $6,894,999. These factors indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due over the next 12 months, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, in which case such adjustments could be material.

2. Significant Accounting Policies

(a) Basis of Preparation and Statement of Compliance

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the year ended March 31, 2020.

These interim condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended March 31, 2020. Interim results are not necessarily indicative of the results expected for the fiscal year.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued**)**

(b) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Marketable Securities

	March 31, 2020 Fair value $	Additions $	Unrealized gain $	June 30, 2020 Fair value $
Marketable securities	29,112	–	16,357	45,469

The Company holds equity securities in publicly traded companies. During the three months ended June 30, 2020, the Company recorded an unrealized gain of $16,357 (2019 – $21,394) on marketable securities.

4. Property and Equipment

	Furniture and equipment $	Vehicle $	Total $
Cost:			
Balance, March 31, 2020 and June 30, 2020	2,209	8,025	10,234
Accumulated depreciation:			
Balance, March 31, 2020	2,079	7,891	9,970
Additions	7	10	17
Balance, June 30, 2020	2,086	7,901	9,987
Carrying amounts:			
As at March 31, 2020	130	134	264
As at June 30, 2020	123	125	247

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets

Exploration and evaluation assets consist of:

	Three months ended June 30, 2020 $	Year ended March 31, 2020 $
Balance, beginning of period	1,001,854	961,724
Acquisitions (Note 6)	–	4,804
Assays	–	3,066
Engineering	–	4,750
Geological and geophysical	–	8,990
Supplies and miscellaneous	123	5,427
Travel and accommodations	–	13,093
	123	40,130
Property option proceeds received	–	(41,111)
Option proceeds in excess of capitalized costs recorded as income	–	41,111
Balance, end of period	1,001,977	1,001,854

(a) Skeena Mining Division, British Columbia

The Company jointly owns or originally jointly owned the following properties in the Skeena Mining Division with Teuton.

(i) Clone Property

On November 28, 2005, the Company and Teuton entered into an option agreement with Makena Resources Inc. ("Makena") whereby Makena has the right to earn a 50% interest in Teuton and the Company's jointly owned Clone property, then comprised of 9 claims. An additional 10 claims were added to the property by staking in 2006.

Under the terms of the option agreement, Makena earned 50% interest in the properties by paying a total of $120,000 cash consideration and incurring exploration expenditures on the Clone property aggregating $1,800,000.

On September 27, 2017 (as amended on October 3, 2018), the Company and Teuton entered into an option agreement with Sky Gold Corp. (formerly Sunvest Minerals Corporation) ("Sky"), whereby Sky has the right to earn the Company and Teuton's 50% beneficial interest in the Clone Property. To earn this interest, Sky is to issue a total of 5,000,000 of its shares, pay a total of $200,000, and incur exploration expenditures on the property aggregating $1,950,000.

Cash consideration to be paid equally to the Company and Teuton:

- $25,000 to be paid on execution of the agreement (received);
- a further $75,000 ($50,000 in cash and issuance of 500,000 shares in lieu of the remaining balance) to be paid on or before September 27, 2018 (received); and
- a further $100,000 to be paid on or before September 27, 2019 (not incurred, see below);

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(i) Clone Property (continued)

Shares in the common stock of Sky to be issued equally to the Company and Teuton:

- 1,500,000 shares to be issued within five business days of September 27, 2017 (received);
- a further 1,500,000 shares to be issued on or before September 27, 2018 (received); and
- a further 2,000,000 shares to be issued on or before September 27, 2019 (not incurred, see below).

Exploration expenditures to be incurred by Sky:

- $350,000 on or before September 27, 2018 (incurred);
- $600,000 on or before September 30, 2019 (not incurred, see below); and
- $1,000,000 on or before September 30, 2020.

As of November 6, 2019, Sky will no longer pursue the option agreement to earn in interest in the Clone project entered with Teuton and the Company. The Company now owns 25% of the Clone property with the remaining 75% owned by Teuton.

(ii) Konkin Silver Property

On April 20, 2004, the Company and Teuton acquired a 100% interest in two claims representing eight units situated within the boundaries of the Konkin Silver property. In fiscal 2004, the Company issued 50,000 of its shares at a fair value of $13,750 and paid $10,000 to the vendor for its 50% share of the claims. The vendor retains a 2% net smelter royalty, one-half of which can be purchased for $1,000,000 until 18 months following the commencement of commercial production.

(iii) Bay Silver Claims

The Company owns a 50% interest in the Bay Silver property located in the Skeena Mining Division. Teuton owns the remaining 50% interest.

On August 16, 2018, the Company and Teuton entered into an agreement to option out their Bay Silver Property to Auramex Resources Corp. (“Auramex”), whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 500,000 of its shares and pay a total of $120,000 as follows:

Cash consideration to be paid equally to Company and Teuton:

- $10,000 to be paid on execution of the agreement (received);
- a further $15,000 to be paid on or before July 28, 2019 (received);
- a further $20,000 to be paid on or before July 28, 2020 (received);
- a further $25,000 to be paid on or before July 28, 2021; and
- a further $50,000 to be paid on or before July 28, 2022.

Common shares of Auramex to be issued equally to the Company and Teuton:

- 100,000 shares to be issued within three business days of regulatory approval for this agreement (received);
- a further 100,000 shares to be issued on or before July 28, 2019 (received);
- a further 100,000 shares to be issued on or before July 28, 2020 (received);
- a further 100,000 shares to be issued on or before July 28, 2021; and
- a further 100,000 shares to be issued on or before July 28, 2022.

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(iii) Bay Silver Claims (continued)

Upon the exercise of the option, the Company and Teuton will retain a 2% Net Smelter Royalty ("NSR") with an advance royalty payment of $50,000 plus an additional increment payable according to inflation between 2018 and 2025 as measured by the Canadian Consumer Price Index ("CPI") first due from Auramex on June 28, 2025. The advance royalty will thereafter be payable yearly on July 28, as adjusted by the CPI. Auramex will have the right to purchase one-half of the Company's and Teuton's NSR at any time up to including ninety days after the commencement of commercial production on the property by paying $1,000,000.

(iv) Silver Crown West Claims

On July 14, 2015, and as amended on April 21, 2016, Teuton entered into an option agreement with Pretium Resources Inc. ("Pretium") whereby Pretium has the right to earn a 100% interest in Teuton's King Tut and Tuck properties, and Teuton's and the Company's jointly owned Silver Crown West property located in the Skeena Mining Division.

The King Tut and Tuck properties consist of 17 claims and the Silver Crown West property consists of one claim. To earn the 100% interest, Pretium must pay a total of $1,800,000 to Teuton over four years as follows of which approximately 3% is expected to be received by the Company:

Cash consideration to be paid:

- $100,000 to be paid upon signing of the agreement (received);
- a further $150,000 to be paid on or before August 15, 2015, after Pretium has obtained the approval of its Board of Directors to the agreement (received);
- a further $250,000 to be paid on or before January 14, 2016 (received);
- a further $250,000 to be paid on or before July 14, 2016 (received);
- a further $250,000 to be paid on or before July 14, 2017 (received);
- a further $400,000 to be paid on or before July 14, 2018; (received) and
- a further $400,000 to be paid on or before July 14, 2019 (received).

Teuton retains an NSR of 2%.

Concurrently, the Company and Teuton entered into a letter agreement with regards to the option agreement between Pretium and Teuton. As the Silver Crown West property is jointly owned by the Company and Teuton, as consideration, $50,000 of the total option proceeds are to be applied against any outstanding debt owed from the Company to Teuton (the "Debt"). The Company retains one-half of any NSR payable by Pretium to Teuton in regards to mineral production from the Silver Crown West property. If during this process the debt has been repaid, then the Company is entitled to its share of the option proceeds and NSR in cash payments.

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(v) Silver Crown Property

On March 15, 2019, the Company and Teuton entered into an agreement to option out their Silver Crown Property to Auramex, whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 500,000 of its shares and pay a total of $120,000 as follows:

Cash consideration to be paid equally to the Company and Teuton:

- $10,000 to be paid upon signing of the agreement (received);
- a further $15,000 to be paid on or before March 15, 2020 (received);
- a further $20,000 to be paid on or before March 15, 2021;
- a further $25,000 to be paid on or before March 15, 2022; and
- a further $50,000 to be paid on or before March 15, 2023.

Shares in the common stock of Auramex to be issued equally to the Company and Teuton:

- 100,000 shares to be issued within five business days after receipt of regulatory approval for the agreement (issued);
- a further 100,000 shares to be issued on or before March 15, 2020 (received);
- a further 100,000 shares to be issued on or before and March 15, 2021;
- a further 100,000 shares to be issued on or before and March 15, 2022; and
- a further 100,000 shares to be issued on or before and March 15, 2023;

Upon the exercise of the option, the Company and Teuton will retain a 2% Net Smelter Royalty ("NSR") with an advance royalty payment of $50,000 plus an additional increment payable according to inflation between 2019 and 2026 as measured by the Canadian Consumer Price Index ("CPI") first due from Auramex on February 28, 2026. The advance royalty will thereafter be payable yearly on February 28, as adjusted by the CPI. Auramex will have the right to purchase one-half of the Company's and Teuton's NSR at any time up to including ninety days after the commencement of commercial production on the property by paying $1,000,000.

(vi) Midas Property

On September 28, 2005, the Company participated in a multi-party agreement (the "Sabina Agreement") whereby the Midas property was optioned to Sabina Gold & Silver Corp. (formerly Sabina Resources Limited) ("Sabina"). The Midas property consists of seven claims and a 50% interest in the property was earned pursuant to the multi-party agreement by Sabina.

On July 16, 2014, Teuton purchased Sabina's 50% interest in the Del Norte-Midas property. The Company now owns a 25% interest in the Midas property with Teuton owning the other 75%.

(vii) Tonga-Fiji Property

The Company and Teuton jointly own the Tonga-Fiji property situated 24 kilometres north of Alice Arm, British Columbia.

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

The Company originally owned a 100% interest in the following properties:

(viii) Mountain Boy Claims, Skeena Mining Division, British Columbia

The Company originally owned a 100% interest in the Mountain Boy Claims, Skeena Mining Division, British Columbia consisting of seven claims comprising 41 units. The property was optioned to Mountain Boy Minerals Ltd. ("Mountain Boy") on terms whereby it could earn a 50% interest in the property. Subsequently, Mountain Boy purchased the Company's remaining 50% interest in the property. The Company retains a 2% Net Smelter Royalty which may be purchased for $1,000,000 until 18 months following the commencement of commercial production.

(b) Roman Property, New Westminster Mining Division, British Columbia

The Company owns a 50% interest in eight claims located in the New Westminster Mining Division. The remaining 50% interest is owned by Teuton.

(c) Various other properties

The Company also has joint ownership with Teuton on various other properties.

(d) Reclamation Deposits

Guaranteed investment certificates (the "GICs") with principal amounts totalling $2,500 held by a major Canadian financial institution under a safekeeping agreement have been pledged to the province of British Columbia for property reclamation. The GICs mature and roll over each year until the Company is released from its obligations.

6. Related Party Transactions

(a) As at June 30, 2020, the amount of $118,397 (March 31, 2020 - $117,480) was owed to Teuton which is non-interest bearing, secured by certain mineral properties owned jointly with the Company, and due on demand.

(b) As at June 30, 2020, the amount of $245 (March 31, 2020 - $246) was owed to the President of the Company, which is non-interest bearing, and due on demand.

7. Share Capital

As at June 30, 2020, the Company had share subscriptions received of $90,157. Refer to Note 10.

8. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option is equal to the market price on the date of the grant.

(Expressed in Canadian dollars)

8. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, March 31, 2020 and June 30, 2020	1,900,000	0.07

Additional information regarding stock options outstanding as at June 30, 2020 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.07	1,900,000	2.2	0.07

9. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

10. Subsequent Event

On July 13, 2020, the Company issued 4,000,000 units at $0.10 per unit for proceeds of $400,000, of which $90,157 was received as at June 30, 2020. Each unit consisted of one common share and one-half a share purchase warrant. Each whole share purchase warrant is exercisable at $0.15 per common share expiring on July 13, 2021. The share purchase warrants are subject to acceleration at the Company's discretion in the event the Company's common shares traded on a volume-weighted average price basis of $0.20 or more for a period of ten consecutive days.