



**Unaudited Condensed interim Financial Statements**

**For The Six Months Ended March 31, 2020 and 2019**

**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102, Juggernaut Exploration Ltd. discloses that the accompanying unaudited condensed interim financial statements for the six months ended, March 31, 2020, and 2019, were prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

Juggernaut Exploration Ltd.  
Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

|                                                   | (Unaudited)       | (Audited)             |
|---------------------------------------------------|-------------------|-----------------------|
| As at,                                            | March 31,<br>2020 | September 30,<br>2019 |
|                                                   | \$                | \$                    |
| <b>Assets</b>                                     |                   |                       |
| <b>Current</b>                                    |                   |                       |
| Cash and cash equivalent                          | 611,723           | 492,369               |
| Amounts receivable (Note 4)                       | 17,082            | 107,004               |
| Prepaid and deposits (Note 5)                     | 61,620            | 99,113                |
|                                                   | 690,425           | 698,486               |
| <b>Non-Current</b>                                |                   |                       |
| Investment in DSM Syndicate (Note 7)              | 500,000           | 500,000               |
| Equipment                                         | 10,712            | 11,902                |
| Exploration and evaluation assets (Note 6)        | 6,885,544         | 5,939,983             |
| <b>Total assets</b>                               | 8,086,681         | 7,150,371             |
| <b>Liabilities and Shareholders' Equity</b>       |                   |                       |
| <b>Current</b>                                    |                   |                       |
| Accounts payable and accrued Liabilities (Note 8) | 15,594            | 116,291               |
| Due to related parties (Note 9)                   | 21,173            | 42,000                |
| Flow-through share premium liabilities (Note 10)  | 30,015            | -                     |
| <b>Total liabilities</b>                          | 66,782            | 158,291               |
| <b>Shareholders' Equity</b>                       |                   |                       |
| Share capital (Note 10)                           | 18,766,231        | 17,905,214            |
| Contributed surplus (Note 10)                     | 3,366,890         | 2,552,023             |
| Accumulated deficit                               | (14,113,222)      | (13,465,157)          |
| <b>Total shareholders' equity</b>                 | 8,019,899         | 6,992,080             |
| <b>Total liabilities and shareholders' equity</b> | 8,086,681         | 7,150,371             |

Commitments (Notes 6 and 12)

Approved on behalf of the Board of Directors on May 26, 2020:

*"Daniel Stuart"*

Director

*"Peter Bryant"*

Director

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

Juggernaut Exploration Ltd.  
Condensed Interim Statements of Loss and Comprehensive Loss  
For the Three Months and Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

|                                                       | Three Months Ended |                  | Six Months Ended |                  |
|-------------------------------------------------------|--------------------|------------------|------------------|------------------|
|                                                       | 2020               | 2019             | 2020             | 2019             |
|                                                       | \$                 | \$               | \$               | \$               |
| <b>Expenses:</b>                                      |                    |                  |                  |                  |
| Administration fees (Note 9)                          | 15,000             | 15,000           | 30,000           | 30,000           |
| Audit/accounting                                      | 11,610             | 5,000            | 16,710           | 12,573           |
| Corporate development                                 | 36,425             | 7,048            | 46,406           | 14,773           |
| Depreciation                                          | 595                | 534              | 1,190            | 1,067            |
| Filing and transfer agent fees                        | 9,763              | 12,055           | 34,047           | 23,652           |
| Foreign exchange (gain)/loss                          | (236)              | 58               | (185)            | (86)             |
| Legal                                                 | 6,269              | 2,795            | 15,260           | 20,372           |
| Management fees (Note 9)                              | 40,000             | 30,000           | 70,000           | 60,000           |
| Office and sundry                                     | 25,217             | 22,745           | 59,576           | 49,871           |
| Project investigation costs (Note 3)                  | 46,044             | -                | 99,402           | -                |
| Share-based compensation (Note 10)                    | 169,800            | 99,001           | 169,800          | 233,902          |
| Travel and promotion                                  | 29,510             | 21,117           | 115,556          | 26,217           |
| <b>Loss before other items</b>                        | <b>(389,997)</b>   | <b>(215,353)</b> | <b>(657,762)</b> | <b>(472,341)</b> |
| <b>Other items:</b>                                   |                    |                  |                  |                  |
| Interest income                                       | -                  | 11,178           | 1,506            | 13,615           |
| Reversal of flow-through premium liability (Note 10)  | 8,191              | 11,525           | 8,191            | 34,312           |
| <b>Net loss and comprehensive loss for the period</b> | <b>(381,806)</b>   | <b>(192,650)</b> | <b>(648,065)</b> | <b>(424,414)</b> |
| Basic and diluted loss per share                      | (\$0.03)           | (\$0.02)         | (\$0.05)         | (\$0.05)         |
| Weighted average number of shares outstanding         | 13,595,650         | 9,702,556        | 12,050,706       | 9,215,886        |

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

Juggernaut Exploration Ltd.  
Condensed Interim Statements of Changes in Equity  
For the Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

|                                                                              | Share Capital |            | Contributed |              |             |
|------------------------------------------------------------------------------|---------------|------------|-------------|--------------|-------------|
|                                                                              | Number of     | Amount     | Surplus     | Deficit      | Total       |
|                                                                              | Shares        | \$         | \$          | \$           | \$          |
| <b>Balance - September 30, 2018</b>                                          | 8,396,125 **  | 15,623,088 | 2,322,355   | (7,230,442)  | 10,715,001  |
| Shares issued for cash (net of issuance costs) (Note 10)                     | 1,306,431     | 1,872,126  | 110,381     | -            | 1,982,507   |
| Fair values of broker warrants issued                                        | -             | -          | 16,803      | -            | 16,803      |
| Share-based compensation expense (Note 10)                                   | -             | -          | 233,902     | -            | 233,902     |
| Net and comprehensive loss for the period                                    | -             | -          | -           | (424,414)    | (424,414)   |
| <b>Balance - March 31, 2019</b>                                              | 9,702,556     | 17,495,214 | 2,683,441   | (7,654,856)  | 12,523,799  |
| Shares issued pursuant to mineral option agreements (Note 10)                | 820,000       | 410,000    | -           | -            | 410,000     |
| Share-based compensation expense (Note 10)                                   | -             | -          | 70,959      | -            | 70,959      |
| Share options cancelled (Note 10)                                            | -             | -          | (202,377)   | 202,377      | -           |
| Net and comprehensive loss for the year                                      | -             | -          | -           | (6,012,678)  | (6,012,678) |
| <b>Balance - September 30, 2019</b>                                          | 10,522,556    | 17,905,214 | 2,552,023   | (13,465,157) | 6,992,080   |
| Shares issued for cash (net of issuance costs) (Note 10)                     | 4,533,571     | 861,017    | -           | -            | 861,017     |
| Shares issued pursuant to mineral option agreements (Note 10)                | 2,000,000     | -          | 360,000     | -            | 360,000     |
| Fair value of broker warrants issued (Note 10)                               | -             | -          | 11,667      | -            | 11,667      |
| Fair value of warrants issued pursuant to mineral option agreement (Note 10) | -             | -          | 273,400     | -            | 273,400     |
| Share-based compensation expense (Note 10)                                   | -             | -          | 169,800     | -            | 169,800     |
| Net and comprehensive loss for the period                                    | -             | -          | -           | (648,065)    | (648,065)   |
| <b>Balance - March 31, 2020</b>                                              | 17,056,128 ** | 18,766,231 | 3,366,890   | (14,113,222) | 8,019,899   |

\*\* Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis, which resulted in 10,522,557 shares outstanding post-consolidation. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect the change.

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

Juggernaut Exploration Ltd.  
Condensed Interim Statements of Cash Flows  
For The Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

|                                                        | 2020<br>\$ | 2019<br>\$ |
|--------------------------------------------------------|------------|------------|
| <b>Operating activities:</b>                           |            |            |
| <b>Net loss for the period</b>                         | (648,065)  | (424,414)  |
| Adjustments for items not affecting cash:              |            |            |
| Depreciation                                           | 1,190      | 1,067      |
| Reversal of flow-through premium liability             | (8,191)    | (34,312)   |
| Share-based compensation                               | 169,800    | 233,902    |
| <b>Net change in non-cash working capital items:</b>   |            |            |
| GST and other accounts receivable                      | 89,922     | 119,663    |
| Prepaid and deposits                                   | 37,493     | 109,945    |
| Accounts payable and accrued liabilities               | (100,697)  | (292,801)  |
| Due to related parties                                 | (20,827)   | 17,279     |
| <b>Cash used in operating activities</b>               | (479,375)  | (269,671)  |
| <b>Investing activities</b>                            |            |            |
| Mineral property expenditures                          | (312,161)  | (603,799)  |
| <b>Cash used in investing activities</b>               | (312,161)  | (603,799)  |
| <b>Financing activities</b>                            |            |            |
| Proceeds from private placement, net of issuance costs | 910,890    | 2,187,009  |
| <b>Cash provided by financing activities</b>           | 910,890    | 2,187,009  |
| <b>Change in cash and cash equivalent</b>              | 119,354    | 1,313,539  |
| <b>Cash and cash equivalent - beginning</b>            | 492,369    | 766,550    |
| <b>Cash and cash equivalent - ending</b>               | 611,723    | 2,080,089  |
| Non-cash investing activity:                           | \$         | \$         |
| Exploration expenditure included in accounts payable   | -          | 1,260      |

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

## **Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

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### **1. Corporate Information**

Juggernaut Exploration Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on January 6, 2006. The Company is in the business of acquiring, exploring and evaluating mineral resource properties.

The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "JUGR".

The address of the Company's corporate office and principal place of business is Suite 1010, 1130 West Pender Street, Vancouver, BC Canada.

### **2. Basis of Preparation**

#### **Statement of compliance**

These unaudited condensed interim financial statements of the Company for the six months ended March 31, 2020, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The significant accounting policies applied in these condensed interim financial statements are based on the IFRS issued and outstanding as of March 31, 2020.

#### **Basis of Measurement**

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make estimates and judgments concerning the future. The Company's management reviews these estimates and underlying judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, and the recoverability and measurement of deferred tax assets.

#### **Going Concern**

These financial statements have been prepared assuming the Company will continue on a going-concern basis. As at March 31, 2020, the Company had not yet achieved profitable operations, has an accumulated deficit of \$14,113,222 and expects to incur further losses in the development of its business. Further financing will be required to meet the terms of the Company's option agreements (Note 6). These conditions indicate the existence of material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these financial statements do not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
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**3. Summary of Significant Accounting Policies****Financial Instruments**

The Company adopted all of the requirements of IFRS 9 Financial Instruments on October 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

**Cash and cash equivalents**

Cash and cash equivalents consist of deposits in banks and highly liquid investments that are readily convertible to cash with original maturities of 12 months or less.

**Equipment**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Upon the sale or disposition of a depreciable asset, cost and accumulated amortization are removed from equipment and any gain or loss is reflected as a gain or loss from operations.

Depreciation is calculated on a diminishing balance basis at a rate of 20% per annum for all tangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**Exploration and evaluation assets**

Costs incurred prior to obtaining the legal rights to explore a property are recognized as an expense in the period in which they are incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;



**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Six Months Ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**3. Summary of Significant Accounting Policies – (cont'd)****Exploration and evaluation assets – (cont'd)**

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

**Impairment of assets**

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

**Share-based Compensation**

The Company operates a stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Six Months Ended March 31, 2020 and 2019

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**3. Summary of Significant Accounting Policies – (cont'd)****Loss per share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

**Flow-through shares**

The Company has adopted a policy whereby proceeds from flow-through issuance are allocated between the offering of shares and the sale of tax benefits based on the premium that the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

**Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the classification of financial instruments.

**Accounting standards issued but not yet applied****New standard IFRS 16 "Leases"**

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The impact of IFRS 16 will be that the present value of the lease payments disclosed in Note 16 will be reflected as a right-of-use asset and a corresponding liability.

Other accounting pronouncements with future effective dates are not expected to have a significant impact on the Company's financial statements.

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
For The Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

**4. Receivables**

|                      | March 31,<br>2020 | March 31,<br>2019 |
|----------------------|-------------------|-------------------|
| Amounts receivable   | \$ -              | \$ 15,568         |
| Sales tax receivable | 17,082            | 44,356            |
| Total                | \$ 17,082         | \$ 59,924         |

**5. Prepaid and Deposits**

|                  | March 31,<br>2020 | March 31,<br>2019 |
|------------------|-------------------|-------------------|
| Deposits         | \$ 59,583         | \$ 57,382         |
| Prepaid expenses | 2,037             | 3,569             |
| Total            | \$ 61,620         | \$ 60,951         |

**6. Exploration and Evaluation Assets**

Midas and Empire Properties:

On March 15, 2017, the Company entered into two separate letter agreements (the "Agreements") with J2 Syndicate Holdings Ltd. (the "J2 Syndicate") and its members (the "Optionors") providing the Company with the right to acquire a 100% interest in the Midas property situated in the Skeena Mining Division of British Columbia and the Empire property situated in the Omineca Mining Division of British Columbia (the "Options").

Empire

Financial terms/commitments are as follows (as amended on April 30, 2018 and October 30, 2018):

| Date           | Cash \$   |             | Securities       |               | Date          | Exploration<br>Expenditures \$ |                 |
|----------------|-----------|-------------|------------------|---------------|---------------|--------------------------------|-----------------|
| Effective Date | 300,000   | <i>paid</i> | 820,000 shares   | <i>issued</i> | Dec. 31, 2017 | 450,000                        | <i>incurred</i> |
|                |           |             | 820,000 warrants | <i>issued</i> |               |                                |                 |
| Feb. 1, 2019   | 300,000   | <i>paid</i> | N/A              |               | Dec. 31, 2018 | 500,000                        | <i>incurred</i> |
| Mar. 30, 2020  | N/A       |             | 410,000 shares   | <i>Issued</i> | Dec. 31, 2019 | 1,200,000                      | <i>incurred</i> |
| Mar. 30, 2021  | 500,000   |             | 410,000 shares   |               | Dec. 31, 2020 | 1,500,000                      |                 |
| Mar. 30, 2022  | 500,000   |             | N/A              |               | Dec. 31, 2021 | 2,000,000                      |                 |
| Mar. 30, 2023  | 500,000   |             | N/A              |               | Dec. 31, 2022 | 3,000,000                      |                 |
| Mar. 30, 2024  | 500,000   |             | N/A              |               | Dec. 31, 2023 | 5,000,000                      |                 |
| Mar. 30, 2025  | 500,000   |             | 410,000 shares   |               | Dec. 15, 2024 | Election/Feasibility Report    |                 |
| Mar. 30, 2027  | 1,000,000 |             | N/A              |               | Mar. 30, 2027 | Feasibility Report             |                 |
| Total          | 4,100,000 |             | 2,050,000 shares |               |               |                                |                 |
|                |           |             | 820,000 warrants |               |               |                                |                 |

During the year ended September 30, 2019, the Company determined it would not proceed with the exploration of the Empire property. Therefore, it recorded an impairment of \$5,659,477 reducing the carrying value to \$Nil.

On November 8, 2019, the Company and the J2 Syndicate entered in an agreement, to which the parties have agreed to further amend the terms of the Company's option on the Midas property.

## Juggernaut Exploration Ltd.

Notes to the Condensed Interim Financial Statements  
For The Six Months Ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

### 6. Exploration and Evaluation Assets – (cont'd)

#### Midas

Financial terms/commitments are as follows (as amended on April 30, 2018, October 30, 2018 and November 8, 2019):

| Date           | Cash \$   |             | Securities       |               | Date           | Exploration Expenditures \$ |                 |
|----------------|-----------|-------------|------------------|---------------|----------------|-----------------------------|-----------------|
| Effective Date | 300,000   | <i>paid</i> | 820,000 shares   | <i>issued</i> | Dec. 31, 2017  | 350,000                     | <i>incurred</i> |
|                |           |             | 820,000 warrants | <i>issued</i> |                |                             |                 |
| Feb. 1, 2019   | 300,000   | <i>paid</i> | N/A              |               | Dec. 31, 2018  | 500,000                     | <i>incurred</i> |
| Mar. 30, 2020  | N/A       |             | 410,000 shares   | <i>issued</i> | Dec. 31, 2019  | 1,200,000                   | <i>incurred</i> |
|                |           |             |                  |               | Sept. 20, 2020 | 90,000                      |                 |
|                |           |             |                  |               | Mar. 30, 2021  | (a)                         |                 |
|                |           |             |                  |               | Oct. 1, 2021   | (a)                         |                 |
| Mar. 30, 2022  | -         |             | 410,000 shares   |               | Dec. 31, 2022  | 1,500,000                   |                 |
| Mar. 30, 2023  | 500,000   |             | 410,000 shares   |               | Dec. 31, 2023  | 2,000,000                   |                 |
| Mar. 30, 2024  | 500,000   |             | -                |               | Dec. 31, 2024  | 3,000,000                   |                 |
| Mar. 30, 2025  | 500,000   |             | -                |               | Dec. 31, 2025  | 5,000,000                   |                 |
| Mar. 30, 2026  | 500,000   |             | -                |               | Dec. 31, 2026  | Election/Feasibility Report |                 |
| Mar. 30, 2027  | 500,000   |             | 410,000 shares   |               | -              |                             |                 |
| Mar. 30, 2029  | 500,000   |             | -                |               | Mar. 30, 2029  | Feasibility Report          |                 |
| Total          | 3,600,000 |             | 2,460,000 shares |               |                |                             |                 |
|                |           |             | 820,000 warrants |               |                |                             |                 |

(a) In consideration for this extension, the Company commits to spend a minimum of \$90,000 on geophysics and complete a minimum of 1,500 meters of drilling on the property by October 1, 2021. The Company has until March 30, 2021 to make an election to complete the drilling and if the Company elects not to proceed on or before March 30, 2021, it can terminate the Midas option without further obligations.

If the Company fails to make the required election within the time permitted, the Agreement will terminate immediately upon notice of termination given by the Optionor to the Company, but the Company will remain contractually obligated to issue 410,000 shares to the J2 Syndicate members by March 30, 2022.

If the Company elects to carry out the 2021 exploration program (the "2021 Program") and completes the 2021 Program by October 1, 2021, the Company will remain contractually obligated to issue 410,000 shares to the J2 Syndicate members by March 30, 2022 and the Agreement will upon such issuance be maintained until December 31, 2022.

If the Company elects to carry out the 2021 Program and fails to complete the 2021 Program by October 1, 2021, the Option will terminate immediately upon notice of termination given by the Optionor to the Company, but the Company will remain contractually obligated to issue 410,000 shares to the J2 Syndicate members by March 30, 2022.

The Company must deliver a written election to the Optionors not later than December 15, 2026 to either have a Feasibility Report prepared or to terminate the Option. If the Company fails to make such an election by December 15, 2026, then the Option may be terminated by the Optionors by notice in writing given by the manager.

Pursuant to each of the Options the Company is required to pay the Optionors a resource bonus of US\$1,000,000 and 1,000,000 (post-consolidation) shares when a NI 43-101 Compliant Technical Report of mineral reserves and mineral resources collectively meet 2,000,000 equivalent ounces of gold on the respective properties and thereafter the Company is required to pay US\$1 per additional equivalent ounce of gold based on subsequent NI 43-101 Compliant Technical Reports.

**Juggernaut Exploration Ltd.**

## Notes to the Condensed Interim Financial Statements

For The Six Months Ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**6. Exploration and Evaluation Assets – (cont'd)**

A 3% royalty ("Royalty") on net smelter returns ("NSR") from all production from each property acquired by the Company will be payable in cash or in kind at the option of the Optionors, with a right of the Company until May 1, 2021 to buy down the Royalty by 1% to 2% for the payment to the Optionors of US\$2,000,000. If the price of gold increases to US\$2,000 per ounce, the Royalty will increase to 4% if it has not previously been bought down to 2% and it will increase to 3% if it has previously been bought down. If the Royalty is at 4% of the Company may reduce it to 2% by the payment of US\$4,000,000 to the Optionors by the date which is the later of the 7th anniversary of the Definitive Agreement or six months after the price of gold reaches the US\$2,000 threshold. If the Royalty is at 4% the Company may reduce it to 3% by the payment of US\$2,500,000 to the Optionors by the date which is the later of the 7th anniversary of the Definitive Agreement or six months after the price of gold reaches a price of US\$2,000.

Warrants issued under the option agreements entitled each warrant held by the holder to acquire one additional share of the Company at the price of \$0.08 per share for 60 months from closing. All warrants will be subject to provisions prohibiting exercise if, as a result, the holder would own 10% or more of the Company's outstanding shares post-exercise.

**Gold Standard Property:**

In November, 2019, the Company entered into an agreement with the DSM Syndicate ("Syndicate") to earn a 100% in the Gold Standard property containing 3,961 hectares located in West Central BC.

Financial terms/commitments are as follows (as amended on March 11, 2020):

| Date           | Cash \$   |             | Securities         |               | Exploration Expenditures \$ | Interest Earned     |
|----------------|-----------|-------------|--------------------|---------------|-----------------------------|---------------------|
| Effective Date | 200,000   | <i>paid</i> | 2,000,000 shares   | <i>issued</i> |                             |                     |
|                |           |             | 2,000,000 warrants | <i>issued</i> |                             |                     |
| Dec. 15, 2021  | 300,000   |             | 3,000,000 shares   |               | 500,000                     | 40%                 |
| Dec. 15, 2022  | 400,000   |             | N/A                |               | 1,500,000                   |                     |
| Dec. 15, 2023  | 500,000   |             | 2,000,000 shares   |               | 2,000,000                   | 60%                 |
| Dec. 15, 2024  | 600,000   |             | 3,000,000 shares   |               | 2,500,000                   | 100% Subject to NSR |
| Total          | 2,000,000 |             | 10,000,000 shares  |               | 6,500,000                   |                     |
|                |           |             | 2,000,000 warrants |               |                             |                     |

In the event that the Company earns a 40% interest but fails to earn a 60% interest, the Syndicate and the Company will form a standard joint venture (60% to the Syndicate and 40% to the Company) consistent with the Rocky Mountain form of joint venture including standard dilution provisions. In the event that the Company earns a 60% interest but fails to earn a 100% interest the Syndicate and the Company will form a standard joint venture with the Syndicate having a 51% interest and the Company having a 49% interest, such joint venture consistent with the Rocky Mountain form of joint venture including standard dilution provisions.

All cash, NSR royalty payments and shares and warrants issuable hereunder shall be allocated and issued or paid to the members of the Syndicate excluding the Company which is a member of the Syndicate. The December 15, 2021 cash Option payment and all cash Option payments made thereafter will, subject to exercise of the Option, be deemed to be Advance Royalties. An Advance Royalty of \$100,000 per year will be payable on December 15 of each year after exercise of the Option until the first royalty payment after commencement of commercial production.

**Juggernaut Exploration Ltd.**

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**6. Exploration and Evaluation Assets – (cont'd)**

Gold Standard Property: - (cont'd)

A 3% royalty ("Royalty") on net smelter returns ("NSR") from all production from the property acquired by the Company will be payable in cash, with a right of the Company until December 15, 2024 to buy down the Royalty by 1% for the payment to the optionors (excluding the Company) of US\$2,000,000. Production from the property includes all minerals (as defined in the *Mineral Tenure Act* [B.C.]) and other marketable materials, in whatever form or state, produced from the property and includes, without limitation, gold, silver, platinum, platinum group elements and other precious metals, copper, lead and zinc and other base metals, and sand, gravel, graphite, barite and other industrial minerals and materials. The Royalty will be registered in the office of the Gold Commissioner for B.C. and a security interest in the mineral claims and any after-acquired mineral lease will be registered in the B.C. Personal Property Security Register. If and when NI 43-101 mineral reserves (proven and probable categories) and mineral resources (measured, indicated and inferred categories) on the Property collectively meet 2,000,000 equivalent ounces of gold with a minimum cut off grade of 0.05 grams per ton gold the Company will pay to the Syndicate US\$1 per equivalent ounce of gold based on each Resource Report produced (the "Resource Bonus") including subsequent Resource Reports that report on additional equivalent ounces of gold as further exploration and development takes place. The resource bonus is to be applied as an advanced royalty payment.

Jake and Mack Properties:

In November, 2019, the Company entered into two earn-in option agreements to fund inaugural drill programs on each of the Mack and Jake porphyry copper-gold-molybdenum deposit targets located in the Golden Triangle and north central regions of British Columbia respectively.

A \$25,000 deposit payment was required with each of the agreements to be paid by December 31, 2019. Such payment was made pertaining to the Mack agreement while no payment was made towards the Jake agreement.

In April, 2020, the Company dropped both earn-in option agreements and the \$25,000 deposit for the Mack property was written off during the current period and is included in project investigation costs.

**Juggernaut Exploration Ltd.**

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**6. Exploration and Evaluation Assets – (cont'd)**

The Company's exploration and evaluation assets are as follows:

| Expenditures During the Year |                |              |         |                       |                        |          |                         |             |                      |                     |             |             |               |
|------------------------------|----------------|--------------|---------|-----------------------|------------------------|----------|-------------------------|-------------|----------------------|---------------------|-------------|-------------|---------------|
| Mineral                      | Balance        |              |         |                       |                        |          |                         |             |                      |                     |             |             | Balance       |
| Properties:                  | Sept. 30, 2018 | Acquisitions | Assays  | Camp &<br>Field Costs | Consulting/<br>Reports | Drilling | Transport &<br>Supplies | Geophysical | Mapping &<br>Surveys | Equipment<br>Rental | Write-Off   | Sub-total   | Sept.30, 2019 |
|                              | \$             | \$           | \$      | \$                    | \$                     | \$       | \$                      | \$          | \$                   | \$                  | \$          | \$          | \$            |
| Empire                       | 5,042,710      | 205,000      | 50,403  | 71,318                | 89,120                 | 51,141   | 68,992                  | 24,549      | 29,540               | 26,704              | (5,659,477) | (5,042,710) | -             |
| Midas                        | 4,394,450      | 205,000      | 295,251 | 106,468               | 185,091                | 419,654  | 220,522                 | 37,693      | 17,030               | 58,824              | -           | 1,545,533   | 5,939,983     |
| Total                        | 9,437,160      | 410,000      | 345,654 | 177,786               | 274,211                | 470,795  | 289,514                 | 62,242      | 46,570               | 85,528              | (5,659,477) | (3,497,177) | 5,939,983     |

| Expenditures During the Period |                |              |        |                       |                        |          |                         |             |                      |                     |           |           |               |
|--------------------------------|----------------|--------------|--------|-----------------------|------------------------|----------|-------------------------|-------------|----------------------|---------------------|-----------|-----------|---------------|
| Mineral                        | Balance        |              |        |                       |                        |          |                         |             |                      |                     |           |           | Balance       |
| Properties:                    | Sept. 30, 2019 | Acquisitions | Assays | Camp &<br>Field Costs | Consulting/<br>Reports | Drilling | Transport &<br>Supplies | Geophysical | Mapping &<br>Surveys | Equipment<br>Rental | Write-Off | Sub-total | Dec. 31, 2019 |
|                                | \$             | \$           | \$     | \$                    | \$                     | \$       | \$                      | \$          | \$                   | \$                  | \$        | \$        | \$            |
| Goldstd *                      | -              | 833,400      | -      | -                     | 47,806                 | -        | -                       | 1,800       | -                    | -                   | -         | 883,006   | 883,006       |
| Mack                           | -              | 25,000       | -      | -                     | -                      | -        | -                       | -           | -                    | -                   | (25,000)  | -         | -             |
| Midas                          | 5,939,983      | -            | -      | 2,750                 | 56,600                 | -        | 1,405                   | 1,800       | -                    | -                   | -         | 62,555    | 6,002,538     |
| Total                          | 5,939,983      | 858,400      | -      | 2,750                 | 104,406                | -        | 1,405                   | 3,600       | -                    | -                   | (25,000)  | 945,561   | 6,885,544     |

**Juggernaut Exploration Ltd.**

## Notes to the Condensed Interim Financial Statements

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**7. Investment in DSM Syndicate**

During the year ended September 30, 2017, pursuant to the amendments to the Midas and Empire properties, the Company acquired a 20% interest in DSM Syndicate Holdings Ltd. ("DSM Syndicate") at a cost of \$500,000. The DSM Syndicate was formed to pool geological and other knowledge and expertise relating to certain properties identified in an area in northwestern British Columbia, finance and carry out an acquisition and exploration program and market any resulting property interests with the intention to option or sell the property interests. Management has determined that the cost of its investment of \$500,000 is the most reliable measure of its fair value as there is a lack of observable data or other means to determine fair value. As of March 31, 2020, there are no indicators that amount invested is not recoverable.

**8. Trade accounts payable and accrued liabilities**

|                     | March 31,<br>2020 | March 31,<br>2019 |
|---------------------|-------------------|-------------------|
| Accounts payable    | \$ 5,594          | \$ 5,407          |
| Accrued liabilities | 10,000            | 10,916            |
| Total               | \$ 15,594         | \$ 16,323         |

**9. Related Party Transactions**

Key management personnel are persons responsible for the planning, directing and controlling activities of the entity. The Company's key management personnel are the CEO and CFO and their compensations are included in the following:

|                          | For the Three Months Ended<br>March 31, |           | For the Six Months Ended<br>March 31, |            |
|--------------------------|-----------------------------------------|-----------|---------------------------------------|------------|
|                          | 2020                                    | 2019      | 2020                                  | 2019       |
| Management fees          | \$ 40,000                               | \$ 30,000 | \$ 70,000                             | \$ 60,000  |
| Administrative fees      | 15,000                                  | 15,000    | 30,000                                | 30,000     |
| Share-based compensation | 169,800                                 | 43,938    | 169,800                               | 125,388    |
| Total                    | \$ 224,800                              | \$ 88,938 | \$ 269,800                            | \$ 215,388 |

Share-based compensation is a non-cash item that pertains to all officers and directors of the Company.

Related party liabilities consist of unpaid management, administration and other fees owing to an officer and director of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment. As at March 31, 2020, \$21,173 (March 31, 2019 - \$59,278) is owing to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

**10. Share Capital****Authorized:**

Authorized share capital consists of an unlimited number of common shares without par value.

**Share Consolidation:**

Effective October 17, 2019, the Company consolidated its issued and outstanding common shares on a 10 to 1 basis, which resulted in 10,522,557 shares outstanding post-consolidation. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect the change.

As at March 31, 2020, there were 17,056,128 (2019: 9,702,556) shares issued and outstanding.



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**10. Share Capital – (cont'd)****Issued:**

During the period ended March 31, 2020:

- The Company closed the following non-brokered private placements:
  - a) In March, 2020, the Company issued 120,000 flow-through units ("FT Units") at a price of \$0.28 per FT Unit for gross proceeds of \$33,600. The Company also issued 957,000 hard-dollar units ("Units") at a price of \$0.20 per Unit for gross proceeds of \$191,400.

FT Units:

Each FT Unit consisted of one common flow-through share of the Company and one common share purchase warrant with each warrant exercisable to purchase an additional non-flow-through common share of the Company at a price of \$0.56 expiring March, 2021.

A cash commission of \$336 was paid and 1,200 non-transferable broker warrants were issued with the same exercisable terms of the FT Unit warrants.

The fair value of the 1,200 broker warrants was estimated at \$36 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.19 expected volatility - 112% (based on historical volatility), risk-free interest rate – 1.2%, average exercise price of \$0.56 and an expected life of 1 year.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$9,600. As at March 31, 2020, the Company had incurred only a portion of the required expenditures and therefore a pro-rata portion of the flow-through premium was recognized as other income.

Units:

Each Unit consisted of one common share of the Company and share purchase warrant with each warrant exercisable to purchase an additional common share of the Company at a price of \$0.40 expiring March, 2022.

A cash commission of \$7,404 was paid and 37,020 non-transferable broker warrants were issued with the same exercisable terms of the Unit warrants.

The fair value of the 37,020 broker warrants was estimated at \$2,943 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.19 expected volatility - 113% (based on historical volatility), risk-free interest rate – 1.2%, average exercise price of \$0.40 and an expected life of 2 years.

- b) In February, 2020, the Company issued 3,099,000 units at a price of \$0.20 per unit for gross proceeds of \$619,800. Each unit consisted of one common share of the Company and one common share purchase warrant exercisable to purchase an additional common share of the Company at a price of \$0.40 expiring February, 2022.

A cash commission of \$13,308 was paid and 66,540 non-transferable broker warrants were issued with the same exercisable terms as the unit warrants.

**Juggernaut Exploration Ltd.**

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**10. Share Capital – (cont'd)****Issued: – (cont'd)**

The fair value of the 66,540 broker warrants was estimated at \$7,512 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.24 expected volatility - 113% (based on historical volatility), risk-free interest rate – 1.5%, average exercise price of \$0.40 and an expected life of 2 years.

- c) In December 2019, the Company issued 357,571 flow-through units at a price of \$0.28 per unit for gross proceeds of \$100,120. Each unit consisted of one common flow-through share of the Company and one warrant with each warrant exercisable to purchase an additional non-flow-through common share of the Company at a price of \$0.56 expiring December, 2020.

A cash commission of \$6,007 was paid and 21,454 non-transferable broker warrants were issued with the same exercisable terms of the flow-through unit warrants.

The fair value of the 21,454 broker warrants was estimated at \$1,176 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.23 expected volatility - 122% (based on historical volatility), risk-free interest rate – 1.7%, average exercise price of \$0.56 and an expected life of 1 year.

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$28,606. As at March 31, 2020, the Company had incurred only a portion of the required expenditures and therefore a pro-rata portion of the flow-through premium was recognized as other income.

- Pursuant to the Gold Standard mineral property agreement, the Company issued 2,000,000 common shares of the Company with a fair value of \$360,000 (Note 6).

During the year ended September 30, 2019:

- The Company closed the following non-brokered private placement:

- a) In December 2018, the Company issued 1,306,432 units for gross proceeds of \$2,277,989.

The first portion of the private placement consisted of 938,494 flow-through units issued at a price of \$1.80 per unit for proceeds of \$1,689,289. Each unit was comprised of one common flow-through share of the Company and one one-half warrant. Two one-half warrants are exercisable to purchase an additional non flow-through common share of the Company at a price of \$3.60 expiring in December, 2020.

The second portion of the private placement consisted of 367,938 non flow-through units issued at a price of \$1.60 per unit for proceeds of \$588,700. Each unit was comprised of one common share of the Company and one warrant exercisable to purchase an additional common share of the Company at a price of \$3.20 expiring in December, 2021. The fair value of the non flow-through warrants was \$110,381, accounted for using the residual method.

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**10. Share Capital – (cont'd)****Issued: – (cont'd)**

A cash commission of \$78,840 was paid and 43,657 broker warrants were issued. 35,042 non-transferrable broker warrants pertaining to the flow-through units sold contained the same exercise terms of the flow-through unit warrants. 8,616 non-transferrable broker warrants pertaining to the non flow-through units sold contained the same exercise terms of the non flow-through unit warrants. The Company incurred other share issue

The fair value of the 43,657 broker warrants was estimated at \$16,803, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$1.30 expected volatility – (81% - 157%) (based on historical volatility), risk-free interest rate – 2%, average exercise price of \$3.50 and an expected average life of 2.13 years.

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$187,699. The Company incurred the required expenditures during the year ended September 30, 2019 and therefore the flow-through premium was recognized as other income.

- Pursuant to the Midas and Empire mineral property agreements, the Company issued 820,000 shares with a fair value of \$410,000 (Note 6).

**Share Purchase Warrants Outstanding:**

The continuity of share purchase warrants is as follows:

|                                                       | Number of<br>Warrants | Weighted Average<br>Exercise Price |
|-------------------------------------------------------|-----------------------|------------------------------------|
| Balance - September 30, 2018                          | 4,983,786             | \$3.10                             |
| Issued pursuant to private placements                 | 837,185               | \$3.40                             |
| Broker-warrants issued pursuant to private placements | 43,657                | \$3.50                             |
| Expired                                               | (1,722,467)           | \$2.50                             |
| Balance - September 30, 2019                          | 4,142,161             | \$3.40                             |
| Issued pursuant to private a placements               | 4,533,571             | \$0.42                             |
| Broker-warrants issued pursuant to private placements | 126,214               | \$0.43                             |
| Issued pursuant to mineral option agreement           | 2,000,000             | \$0.20                             |
| Balance - March 31, 2020                              | 10,801,946            | \$1.54                             |

**Juggernaut Exploration Ltd.**

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**10. Share Capital – (cont'd)****Warrants: - (cont'd)**

Details of share purchase warrants outstanding at March 31, 2020:

| Number of Warrants | Exercise Price | Expiry Date       | Remaining Life (Years) |
|--------------------|----------------|-------------------|------------------------|
| 365,511 (i)        | \$6.00         | April 20, 2020    | 0.06                   |
| 108,775 (ii)       | \$7.40         | June 20, 2020     | 0.22                   |
| 341,458 (iii)      | \$3.60         | December 6, 2020  | 0.68                   |
| 162,830 (iii)      | \$3.60         | December 13, 2020 | 0.70                   |
| 379,025 (iv)       | \$0.56         | December 31, 2020 | 0.75                   |
| 121,200 (iv)       | \$0.56         | March 2, 2021     | 0.92                   |
| 945,333 (i)        | \$5.00         | April 20, 2021    | 1.06                   |
| 422,437 (iv)       | \$5.60         | June 20, 2021     | 1.22                   |
| 355,553 (v)        | \$3.20         | December 6, 2021  | 1.68                   |
| 21,000 (v)         | \$3.20         | December 13, 2021 | 1.70                   |
| 3,165,540 (v)      | \$0.40         | February 6, 2022  | 1.85                   |
| 994,020 (v)        | \$0.40         | March 2, 2022     | 1.92                   |
| 1,419,263          | \$0.80         | July 17, 2022     | 2.30                   |
| 2,000,000          | \$0.20         | March 10, 2025    | 4.94                   |
| 10,801,946         | \$1.54         |                   | 1.29                   |

- (i) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$1.00 or higher for 10 consecutive trading days.
- (ii) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$1.48 or higher for 10 consecutive trading days.
- (iii) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$0.72 or higher for 10 consecutive trading days.
- (iv) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$1.12 or higher for 10 consecutive trading days.
- (v) Subject to the Company to accelerate the exercise period of the warrants to 30 days, if the shares of the Company achieved a closing price of \$0.80 or higher for 10 consecutive trading days.

**Stock options:**

The Company has a stock option plan whereby, the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. Options vest at the date of grant, unless otherwise noted.

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days (or earlier as stipulated) of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

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**10. Share Capital – (cont'd)****Options: - (cont'd)**

The continuity of share purchase options is as follows:

|                              | Number of<br>Options | Weighted Average<br>Exercise Price |
|------------------------------|----------------------|------------------------------------|
| Balance - September 30, 2018 | 396,500              | \$3.20                             |
| Cancelled                    | (90,000)             | \$3.10                             |
| Granted                      | 135,000              | \$2.20                             |
| Balance - September 30, 2019 | 441,500              | \$2.90                             |
| Expired                      | (186,500)            | \$2.41                             |
| Cancelled                    | (255,000)            | \$3.27                             |
| Granted                      | 1,000,000            | \$0.22                             |
| Balance - March 31, 2020     | 1,000,000            | \$0.22                             |

During the period ended March 31, 2020, the Company recognized \$169,800 (2019: \$233,902) in share based compensation.

During the period ended March 31, 2020, the following share purchase options were transacted:

- 186,500 stock options granted to certain consultants expired due to expiration of corresponding consulting agreements. 20,000 stock options granted to a consultant were cancelled due to termination of service and 235,000 stock options granted to directors and officers were also cancelled.
- In January 2020, the Company granted 1,000,000 stock options to directors and officers. The options issued pursuant to this grant vest immediately, have a term of five years and each option exercisable to purchase a common share of the Company at \$0.22

During the year ended September 30, 2019, the Company recognized share based compensation of \$304,861.

During the year ended September 30, 2019, the following share purchase options were transacted:

- On December 19, 2018, 35,000 stock options were granted to a consultant. Each option is exercisable to purchase a common share of the Company at a price of \$2.20 per share. These options expire December 19, 2023. 8,750 options are vested every six months commencing June 19, 2019.
- On October 16, 2018, 50,000 stock options were granted to an officer/director of the Company and 50,000 stock options were granted to certain consultants. Each option is exercisable to purchase a common share of the Company at a price of \$2.20 per share. These options expire October 16, 2023.

Of the options granted to management, 12,500 options are vested every four months commencing October 16, 2018. Of the options granted to the consultants, 12,500 options are vested every six months commencing April 16, 2019.

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**10. Share Capital – (cont'd)****Options: - (cont'd)**

- In October, 2018, 50,000 options previously granted to a consultant were cancelled due to termination of services.
- In April, 2019, 40,000 options previously granted to a consultant were cancelled due to termination of services.

Of the options granted to the officers and directors, 18,750 options are vested every four months commencing April 25, 2018. Of the options granted to the consultants, 26,250 options are vested every six months commencing October 25, 2018.

- On October 20, 2017, 50,000 share purchase options were granted to an officer/director of the Company. Each option is exercisable to purchase a common share of the Company at a price of \$5.20 per share. These options expire October 20, 2022.

12,500 options are vested every six months commencing April 20, 2018.

Details of stock options outstanding at March 31, 2020:

| Options Outstanding | Exercise Price | Expiry Date     | Remaining Life (years) |
|---------------------|----------------|-----------------|------------------------|
| 1,000,000           | \$0.22         | January 9, 2025 | 4.77                   |

The fair values were estimated using the Black-Scholes option pricing model:

| Date Granted    | Number of Options | Exercise Price | Expiry Date     | Unit Fair Value |
|-----------------|-------------------|----------------|-----------------|-----------------|
| January 9, 2020 | 1,000,000         | \$0.22         | January 9, 2025 | \$0.17          |

Black-Scholes option pricing parameters with no dividend yield expected:

| Risk-Free Interest Rate | Expected Life (Years) | Volatility Factor |
|-------------------------|-----------------------|-------------------|
| 1.60%                   | 5                     | 106%              |

**Contributed Surplus:**

Contributed surplus record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options or warrants expire unexercised, the amount initially recorded will be reversed to deficit.

**11. Financial Instruments and Risk Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements  
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(Unaudited - Expressed in Canadian Dollars)

**11. Financial Instruments and Risk Management – (cont'd)****Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company is exposed to credit risk with respect to its cash and short-term investment. The Company minimizes its exposure to credit risk by placing its cash and cash equivalents with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash and cash equivalents as low due to the high credit quality rating the institution has with the rating agencies. As at March 31, 2020, the Company has cash and cash equivalent of \$611,723.

**Foreign exchange risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is considered high.

**Fair value**

The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short period of time to maturity.

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

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

Management has determined that the cost of its investment of \$500,000 is the most reliable measure of its fair value as there is a lack of observable date or other means to determine fair value and is a level 3 fair value measure.

**12. Commitments**

As at March 31, 2020, the Company has the following operating lease commitments:

| Fiscal |           |
|--------|-----------|
| 2020   | \$ 55,080 |
| 2021   | 27,540    |
| Total  | \$ 82,620 |

**Juggernaut Exploration Ltd.**

Notes to the Condensed Interim Financial Statements

For The Six Months Ended March 31, 2020 and 2019

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**13. Subsequent Event**

The following event occurred subsequent to March 31, 2020:

In April, 2020, the Company granted 50,000 stock options to the CFO of the Company and 650,000 stock options to certain consultants for the Company. Each stock option is fully vested on grant and exercisable to purchase one common share of the Company a price of \$0.22 per share for a period of five years from the date of the grant. These stock options are subject to acceptance by the TSX Venture Exchange.