NUBIAN RESOURCES LTD.

Condensed Consolidated Financial Statements
For the six months ended January 31, 2020 and 2019

(Expressed in Canadian Dollars)

NUBIAN RESOURCES LTD.

Condensed Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	As at			
		January 31, 2020		July 31, 2019
ASSETS				
Current				
Cash	**$**	**4,597**	$	88,121
Taxes receivable		**6,157**		1,086
Assets held for sale (Note 7)		**1**		1
Total Current Assets		**10,755**		89,208
Non Current Assets				
Equipment		**617**		707
Exploration and evaluation assets (Note 4)		**1,154,214**		1,104,518
Total Assets	**$**	**1,165,586**	$	1,194,433
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**84,838**	$	50,039
Accounts payable on assets held for sale (Note 7)		**238,880**		238,880
Loan payable (Note 5]		**4,728**		10,409
Total Current Liabilities		**328,446**		299,328
Long-term liabilities				
Unsecured promissory notes (Notes 6, 8)		**35,142**		33,892
Total Liabilities		**363,588**		333,220
EQUITY				
Share capital (Note 9)		**15,922,584**		15,922,584
Share-based compensation reserve		**2,239,292**		2,143,292
Deficit		**(17,359,878)**		(17,204,663)
Total Equity		**801,998**		861,213
Total Liabilities and Equity	**$**	**1,165,186**	$	1,194,433

Going Concern (Note 1)
Discontinued Operations (Note 7)
Subsequent Events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors on April 7, 2020 by:

"Martin Walter"	*"David A. Fynn"*
Director	Director

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

NUBIAN RESOURCES LTD.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	Three Months Ended January 31		Six months ended January 31	
	2020	2019	**2020**	2019
Expenses				
Amortization	**$ 45**	$ 47	**$ 90**	$ 94
Bank charges	**204**	204	**314**	627
Employee Benefits	**1,737**	1,463	**3,525**	3,582
Filing fees	**5,265**	4,277	**5,646**	8,892
Foreign exchange	**-**	-	**308**	-
Interest on related party debt (Note 8)	**625**	625	**1,250**	1,250
Interest on long term debt	**212**	203	**318**	436
Investor relations and promotion	**3,800**	3,129	**3,800**	18,304
Management fees	**4,500**	4,500	**9,000**	9,000
Office	**(1,500)**	9,014	**3,000**	13,514
Professional fees	**17,714**	18,360	**17,714**	22,166
Rent and utilities	**9,329**	2,291	**13,631**	11,228
Share-based compensation (Note 9)	**-**	6,500	**96,000**	12,750
Telecommunications	**-**	-	**619**	-
Travel and accommodation	**-**	-	**-**	4,148
Loss From Continuing Operations	**(41,931)**	(50,613)	**(155,215)**	(105,991)
Discontinued Operations (Note 8)	**(-)**	(-)	**(-)**	(-)
Loss And Comprehensive Loss For The Year	**$ (41,931)**	$ (50,613)	**$ (155,215)**	$ (105,991)
Loss From Continuing Operations, Per Share, Basic and Diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Loss From Discontinued Operations, Per Share, Basic and Diluted	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Net Income (Loss) Per Common Share, Basic and Diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted Average Number of Shares Outstanding	**30,290,924**	30,290,924	**30,290,924**	30,290,924

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

NUBIAN RESOURCES LTD.

Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of common shares	Share capital	Share-based compensation reserve	Accumulated deficit	Total equity
Balance, August 1, 2018	29,890,924	$ 15,832,903	$ 2,129,292	$ (17,041,739)	$ 920,456
Share-based payments	-	-	12,000	-	12,000
Loss for the period	-	-	-	(105,991)	(105,99)
Private placements	400,000	100,000	-	-	100,000
Share issuance costs	-	(10,319)	2,000	-	(8,319)
Balance, January 31, 2019	30,290,924	15,922,584	2,143,292	(17,147,730)	918,146
Loss for the remaining two quarters	-	-	-	(56,933)	(56,933)
Balance, July 31, 2019	30,290,924	15,922,584	2,143,292	(17,204,663)	861,213
Share-based payments	-	-	96,000	-	96,000
Loss for the period	-	-	-	(155,215)	(155,215)
Balance, January 31, 2020	**30,290,924**	**$ 15,922,584**	**$ 2,239,292**	**$ (17,359,878)**	**$ 801,998**

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

NUBIAN RESOURCES LTD.

Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Six Months Ended January 31, 2020	2019
Cash Provided By (Used In)		
Operating Activities		
Net loss from continuing operations	**$ (155,215)**	$ (105,991)
Items not affecting cash:		
Amortization	**90**	94
Accrued interest on unsecured promissory notes	**1,250**	1,250
Share-based compensation	**96,000**	12,750
Changes in non-cash operating assets and liabilities:		
Taxes receivable	**(5,071)**	5,339
Prepaid expenses	**-**	15,000
Accounts payable and accrued liabilities	**34,799**	(51,236)
Cash Used In Operating Activities – Continuing Operations	**(28,147)**	(122,794)
Cash Used In Operating Activities – Discontinued Operations	**-**	-
Cash Used In Operating Activities	**(28,147)**	(122,794)
Investing Activities		
Exploration and evaluation assets costs incurred	**(49,696)**	(83,430)
Cash Used In Investing Activities	**(49,696)**	(83,430)
Financing Activities		
Repayment on related party debt	**-**	(87,000)
Repayment on loan payable	**(5,681)**	(4,564)
Proceeds from private placements, net	**-**	94,000
Cash Provided By Financing Activities	**(5,681)**	2,436
Decrease In Cash	**(83,524)**	(203,788)
Cash, Beginning Of Year	**88,121**	432,235
Cash, End Of Period	**$ 4,597**	$ 228,447
Disclosure Of Supplementary Cash Flow And Non-Cash Investing and Financing Information		
Income taxes paid	**$ -**	$ -
Interest paid	**$ 1,568**	$ 1,686

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nubian Resources Ltd. (the "Company") is listed on the TSX Venture Exchange under the symbol "NBR". The principal business is the exploration of mineral properties and it is considered to be an exploration company. The Company was incorporated on October 28, 2004 pursuant to the Business Corporations Act (British Columbia). On May 2, 2007, the Company became a public company listed on the TSX Venture Exchange (the "TSX.V"). The Company's principal place of business is located at 202 – 2526 Yale Court Road, Abbotsford, British Columbia, V2S 8G9.

The Company's principle business activity is the exploration and evaluation of mineral properties located in the United States and Peru.

The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties, including collecting on its proceeds receivable, and to establish future profitable production. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. As at January 31, 2020, the Company has an accumulated deficit of ($17,359,878). The Company's operations are funded from equity financing which is dependent upon many external factors and may be difficult or impossible to secure or raise when required. The Company may not have sufficient cash to fund the exploration and development of its mineral properties to commercial production and therefore may require additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities. These factors may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments for the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities.

Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the financial statements.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC"). The significant accounting policies are presented in note 3 and have been consistently applied in each of the years presented herein.

2. BASIS OF PRESENTATION (Continued)

b) Basis of Preparation

These consolidated financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for financial instruments which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals), considered necessary for a fair presentation have been included.

c) Foreign Currencies

i) *Presentation and functional currency*

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

ii) *Foreign currency transactions*

Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Critical accounting estimates

The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the years ended July 31, 2019 and 2018.

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

Critical accounting estimates (Continued)

Impairment of assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior reporting periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

Useful life of property and equipment

Property, plant and equipment is depreciated over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of property, plant and equipment. Total carrying value of property and equipment at January 31, 2020 was $617 (July 31, 2019 - $707).

Critical judgments used in applying accounting policies

In the preparation of these consolidated financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgements can have an effect on the amounts recognized in the consolidated financial statements.

Assets held for sale

The Company must report its assets held for sale at the lower of their carrying amount and fair value less costs to sell. This involves management judgment and requires the Company to perform continuous evaluations of its. In performing its evaluation, the Company analyses customer creditworthiness and current economic trends. Management has classified the asset held for sale as a current asset at January 31, 2020 because it expects to realize the asset within the next year. The asset held for sale was recorded as current as at July 31, 2015 for the same reason however, was not realized due to a protracted lawsuit which has recently reached the stage of arbitration (see Note 8). Any change in the assumptions used could impact the carrying value of the asset held for sale on the consolidated statement of financial position with a corresponding impact made to the consolidated statement of operations and comprehensive loss.

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

Critical judgments used in applying accounting policies (Continued)

Exploration and evaluation assets

In estimating the recoverability of capitalized exploration and evaluation assets, management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its mineral properties. Once technical feasibility and commercial viability of property can be demonstrated, it is reclassified from exploration and evaluation assets to property and equipment, and subject to different accounting treatment. As at January 31, 2020 and July 31, 2019 management deemed that no reclassification of exploration and evaluation assets was required.

Income tax

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The Company's deferred tax assets have not been recorded in these consolidated financial statements, as the Company's future profitability has been judged to be not more likely than not. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Nubian Resources (USA) Ltd., incorporated in Delaware, USA in September 2011 and operating in Nevada and New Mexico, and Nubian Resources Peru S.A.C.

b) Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of August 1, 2019. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any of the financial assets or financial liabilities on the transition date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments (Continued)

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL. The Company completed a detailed assessment of its financial assets and liabilities as at August 1, 2019. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Held-for-trading	Amortized cost
Accountspayable and accrued liabilities	Amortized cost	Amortized cost
Advances due to related parties	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost.

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations in the period in which they arise.

iii) Impairment of financial assets at amortized cost

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments (Continued)

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations.

c) Cash

Cash consists of balances with banks and investments in financial instruments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. The Company places its cash with institutions of high-credit worthiness. The Company had no cash equivalents as at January 31, 2020 and 2019.

d) Equipment

Equipment is recorded at cost and depreciated over its estimated useful life. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

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 the statement of loss and comprehensive loss during the financial period in which they are incurred.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate. Equipment is recorded at cost less accumulated amortization. Depreciation is recorded when equipment is available for use, over the estimated useful life using the following methods and rates:

Classification	**Method**	**Rate**
Office equipment	Declining balance	20% to 45%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Exploration and Evaluation Assets

The Company capitalizes all acquisition costs and direct exploration expenditures on mineral properties in which it has a continuing interest. On abandonment or sale of any property, accumulated capitalized amounts are charged to operations net of proceed. Following commencement of commercial production, capitalized costs will be amortized over the estimated useful life of the mineral reserve using the units of production method. Property investigation costs, where a property interest is not acquired, are expensed as incurred. Incidental revenues received while the properties are in the exploration stage are credited to the carrying value of the mineral properties. Cost recoveries are credited against specific property costs, as received.

Property acquisition costs include cash costs and the fair market value of issued shares, paid under option or joint interest agreements. Payment terms are at the sole discretion of the Company and are recorded as acquisition costs upon payment.

Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values. Capitalized costs are subject to measurement uncertainty and it is reasonably possible a change in future conditions could require a material change in recorded amounts.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of permits and the potential for problems arising from government conveyance accuracy, prior unregistered agreements or transfers, native land claims, confirmation of physical boundaries, and title may be affected by undetected defects. The Company does not carry title insurance.

The Company has evaluated title to all of its mineral properties and believes, to the best of its knowledge, that evidence of title is adequate and acceptable given the current stage of exploration.

Management's capitalization of exploration costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated metal prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of amounts recorded for capitalization of exploration and evaluation assets.

f) Assets Held for Sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use or abandonment. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that the assets may be impaired. If such indication exists, the recoverable amount of the identified asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

h) General Provisions

A provision is a liability of uncertain timing or amount of a future expenditure when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The present value of expected future cash outflows is recognized as a liability and the increase to the liability due to the passage of time is recorded as a finance expense. The Company uses a credit adjusted discount rate that reflects current market assessments of the time value of money and the risk specific to the liability.

i) Decommissioning Liabilities

The Company accounts for the estimated fair value of legal obligations to reclaim and remediate exploration and evaluation assets in the period incurred, at the net present value of the cash flows required to settle the future obligations. The corresponding amount is capitalized to the related asset and accounted for in accordance with the Company's related accounting policies for exploration and evaluation assets. The liabilities are subject to accretion over time as a finance expense for increases in the fair value of the liabilities. Changes in estimates are accounted for prospectively from the period the estimate is revised.

The operations of the Company may in the future be affected, from time to time in varying degrees, by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

k) Share-based Compensation

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors.

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based compensation made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date the goods and services are received.

Warrants issued are recorded at estimated fair values determined on the grant date using the Black-Scholes model. If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Loss per Share

Basic loss per common share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the period.

m) Future Accounting Pronouncements Not Yet Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated statements.

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018.

4. EXPLORATION AND EVALUATION ASSETS

	July 31, 2018	Costs for the year	July 31, 2019	Costs for the period	January 31, 2020
Acquisition Costs	$ 848,287	$ -	$ 848,287	$ -	$ **848,287**
Exploration Costs					
Assaying and sampling	21,086	-	21,086	-	**21,086**
Claim staking	36,500	-	36,500	-	**36,500**
Geological consulting	60,426	-	60,426	-	**60,426**
Licences, permits and fees	121,700	96,245	217,945	40,605	**258,550**
Office administration	101,028	43,752	144,780	9,091	**153,871**
NSR advances, Peru	-	22,500	22,500	-	**22,500**
	340,740	162,497	503,237	49,696	**552,933**
	1,189,027	162,497	1,351,524	49,696	**1,401,220**
Option fees received, net	(93,800)	-	(93,800)	-	**(93,800)**
Lease revenues received	(153,206)	-	(153,206)	-	**(153,206)**
Total expenditures	$ 942,021	$ 162,497	$ 1,104,518	$ 49,696	$ **1,154,214**

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

		July 31, 2018		Costs for the year		July 31, 2019		Costs for the period		January 31, 2020
Analyzed by property										
Excelsior Springs, Nevada	$	107,855	$	51,047	$	158,901	$	35,393	**$**	**194,294**
Palmetto, Nevada		24,658		1,854		26,512		2,034		**28,546**
Dunfee, Nevada		45,645		4,535		50,180		4,950		**55,130**
Copper Hills, New Mexico		33,944		2,062		36,006		2,241		**38,247**
Total US Properties		212,102		59,498		271,599		44,618		**316,217**
Esquilache, Peru		729,919		103,000		832,919		5,078		**837,997**
Total expenditures	$	942,021	$	162,497	$	1,104,518	$	49,696		**1,154,214**

a) US Properties

On October 31, 2011, the Company purchased the Excelsior Springs gold property comprising 140 unpatented claims and two leased patented claims plus eight other properties in Nevada, Idaho, Montana and New Mexico, USA. In 2014, the Company determined it would no longer develop five of these properties. As of the date of these financial statements, the Company owns 100% of the Excelsior Springs unpatented claims (140 claims) and has a lease on two patented claims that are subject to a 2% NSR upon gold production, Palmetto (9 claims), and Dunfee (22 claims) properties in Nevada and the Copper Hills (10 claims) property in New Mexico.

b) Esquilache, Peru

On December 28, 2017, the Company entered into a binding agreement with Zinc One Resources Inc. to acquire the Esquilache Silver Lead Zinc Project comprising the historical Esquilache underground silver mine and the adjacent Virgen de Chapi prospect located in the Puno Department of Southern Peru. Under the terms of the agreement, Nubian agreed to pay $150,000 in cash (paid) and $450,000 in common shares of the Company (issued) calculated on the volume weighted average price for the 60 calendar days preceding the agreement date and four annual advanced Net Smelter Royalty (NSR) payments of $22,500 on December 27, 2018 (paid), $78,600 on July 5, 2019 $37, 000 on October 5, 2019 and $56,000 on January 5, 2020. The Company is also required to make 23 payments of $20,000 each between April 5, 2020 and October 5, 2025. The Project is subject to a 2% NSR of which Nubian will have the right to purchase 1% for $500,000 at any time, until the third anniversary of the first sale of gold, silver or concentrate. The Company filed a National Instrument 43-101 technical report on May 8, 2018, and the acquisition was finalised on July 30, 2018 with the issuance of 1,638,151 common shares.

(Expressed in Canadian dollars)

5. LOAN PAYABLE

During fiscal 2017 the Company signed a settlement agreement with a former director for amounts advanced to the Company in previous years. As of July 31, 2016 advances owing to this former director totalled $45,977. The settlement agreement resulted in a $15,000 repayment and a remaining $28,000 to be paid in monthly instalments of $1,000, commencing January 1, 2018, with accrued interest at 4.5% per annum on the daily outstanding balance of the $28,000 until the full balance is repaid, including interest:

	January 31, 2020	July 31, 2019
Current portion	**$ 4,728**	$ 10,409
Long term portion	**-**	-
Total	**$ 4,728**	$ 10,409

6. UNSECURED PROMISSORY NOTES

	January 31, 2020	July 31, 2019
Unsecured promissory notes, interest at 10% per annum	**$ 35,142**	$ 33,892

7. DISCONTINUED OPERATIONS

Pursuant to IFRS 5, the financial statements of the Company have been reclassified to reflect discontinued operations of the Company's mineral interests in Zambia. Accordingly, assets, liabilities, net loss and cash flows of discontinued operations have been segregated in the Consolidated Statements of Financial Position, the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flows. The net assets, net operating results and net cash flows have been reported as "discontinued operations".

During the fiscal year ended July 31, 2009, the Company exercised its right to terminate the Mokambo property agreement because the deposit was determined to be uneconomic. The Company entered into an agreement to sell the EMEW mining equipment on September 21, 2010 for USD $1,500,000. As at July 31, 2013, there was $1,008,000 (USD $980,000) outstanding on the proceeds receivable. The Zambian buyer has not made all the required payments and, accordingly, the Company commenced arbitration proceedings.

The claimant is Nubian Resources Ltd., (Canada) and the respondent is Metalco Industries Limited (Zambia). The Arbitrator determined that Nubian was entitled to a damages claim amounting to the difference between the contract price and current value of the EMEW. The arbitrator has set the value to be the amount which is still receivable from Metalco and therefore neither Nubian nor Metalco is responsible for any payment to each other.

Nubian will keep the EMEW plant and the USD $520,000 already paid to Nubian by Metalco.

(Expressed in Canadian dollars)

7. DISCONTINUED OPERATIONS (Continued)

The following table presents summarized financial information related to discontinued operations in Zambia:

CONSOLIDATED BALANCE SHEETS

	January 31, 2020	July 31, 2019
Asset		
Asset held for sale	**$ 1**	$ 1
Liabilities Held for Sale		
Current		
Accounts payable and accrued liabilities	**$ 238,880**	$ 238,880

8. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The following Director transactions and Related Party balances pertain solely to Nubian.

a) Director transactions

For the period ended January 31, 2020

	Management & consulting Fees	**Share-based payments**	**Interest paid on related party loans**	**Total**
	$	$	$	$
Executive Directors*	9,000	28,800	-	37,800
Non-executive Directors*	-	69,200	1,250	70,450

For the period ended January 31, 2019

	Management & consulting fees	**Share-based payments**	**Interest paid on related party loans**	**Total**
	$	$	$	$
Executive Directors*	9,000	-	-	9,000
Non-executive Directors*	-	-	1,250	1,250

b) Related party balances

	January 31, 2020	July 31, 2019
Accounts payable	**$ -**	$ -
Advances due	**-**	-
Promissory notes payable with interest at 10%	**25,000**	25,000
Accrued interest on promissory note	**10,142**	8,892
	$ 35,142	$ 33,892

*Paid to directors, non-executive directors, and/or companies controlled by those individuals. All balances owing are unsecured with no fixed terms of repayment.

(Expressed in Canadian dollars)

9. SHARE CAPITAL

a) Authorized

Unlimited number of Class "A" voting Common shares without par value
Unlimited number of Preferred shares without par value (none issued)

b) Issued

During the year ended July 31, 2019:
On August 1, 2018, 400,000 units were issued for proceeds of $100,000. Each unit consisted of one common share and one-half transferrable share purchase warrant entitling the holder to purchase one common share for a period of two years at a price of $0.40 per share. Finder's fees in the amount of $6,000 in cash and 24,000 units exercisable at $0.25 were issued to a registered dealer.

c) Share Purchase Warrants

A summary of the changes in warrants to acquire an equivalent number of shares for the periods ended January 31, 2020 and July 31, 2019 was as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance July 31, 2018	2,661,500	$0.27
Issued, August 1, 2018	200,000	$0.40
Issued, August 1, 2018	24,000	$0.25
Expired, November 10, 2018	(800,000)	$0.10
Expired, July 18, 2019	(1,037,500)	$0.30
Balance July 31, 2019	1,048,000	$0.39
Balance January 31, 2020	**1,048,000**	$0.39

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

d) Stock Options

The Company has a stock option plan that provides for the issuance of compensatory options to its directors, officers, employees and consultants. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Options granted under the plan may have a maximum term of ten years. Terms of the vesting period over which the options are earned is determined by the Board of Directors.

A summary of the changes in stock options to acquire an equivalent number of shares for the periods ended January 31, 2020 and July 31, 2019 was as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2017	1,705,000	$0.17
Granted, June 21, 2018	100,000	$0.40
Balance, July 31, 2018	1,805,000	$0.40
Expired, May 21, 2019	(70,000)	$0.10
Balance July 31, 2019	1,735,000	$0.18
Expired, August 1, 2019	(65,000)	$0.10
Granted, September 17, 2019	1,000,000	$0.15
Expired, January 6, 2020	(75,000)	$0.10
Balance, January 31, 2020	**2,595,000**	

On September 17, 2019, the Company granted 1,000,000 incentive stock options to directors, officers and consultants, exercisable for a period of three years. The fair value of these stock based compensation options granted was estimated on the dates of grant in the amount of $96,000 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.15; ii) expected share price volatility of 103%; iii) risk free interest rate of 1553%; iv) no dividend yield, v) expected life of three years; and vi) fully vested.

The Company had outstanding stock options as of January 31, 2020 as follows:

Number of Options	Number of Options Exercisable	Exercise Price	Expiry Date
140,000	140,000	$ 0.10	August 27, 2020
50,000	50,000	$ 0.10	August 1, 2021
300,000	300,000	$ 0.10	January 2, 2023
255,000	255,000	$ 0.10	October 21, 2021
750,000	750,000	$ 0.25	July 27, 2020
100,000	100,000	$ 0.40	June 21, 2020
1,000,000	1,000,000	$ 0.15	September 17, 2022
2,595,000	2,595,000		

As of January 31, 2020, the weighted average remaining contractual life of the options was 1.6 years (July 31, 2019 – 1.9 years).

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

e) Nature and Purpos of Share-based Compensation Reserve

'Share-based Compensation Reserve' is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

10. CAPITAL MANAGEMENT

The Company manages capital with the goal to safeguard the Company's ability to continue as a going concern and ensure its ability to further explore and develop its mineral property holdings in the USA and dispose of its holdings in Africa. The Company includes cash and the components of shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

To ensure continued operations, the Company depends on external financing to fund its activities. The Company defines capital that it manages as share capital, cash and cash equivalents.

In the past, the Company has been successful in raising funds through the issuance of share capital. It is uncertain, however, how successful the Company will be in raising more funds in the current difficult market conditions. The Company currently has insufficient funds for its anticipated operational activities and will require equity financing, joint ventures or other forms of financing in order to fund continued exploration activities and administrative overhead costs for the coming year.

There were no changes in the Company's approach to capital management during the year ended July 31, 2019 or the period ended January 31, 2020. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these consolidated financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at January 31, 2020, the classification of the financial instruments and as their carrying values and fair values are shown in the table below:

	Level	FVTPL	Loans and receivables/ amortized cost	Fair value/ amortized cost
Financial assets				
Cash	1	$ -	$ 4,597	$ 4,597
Assets held for sale	2	1	-	1
		$ 1	$ 4,597	$ 4,598
Financial liabilities				
Accounts payable	3	$ -	$ 84,838	$ 84,838
Accounts payable on assets held for sale	3	-	238,880	238,880
Unsecured promissory notes	3	-	35,142	35,142
Loan payable		-	4,728	4,728
		$ -	$ 363,588	$ 363,588

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgement is required to develop certain of these estimates. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments are described below:

The Company is exposed to potential loss from various risks including commodity price risk, interest rate risk, currency risk, credit risk and liquidity risk. Based on the Company's operations the liquidity risk, commodity risk and currency risk are considered the most significant.

The carrying values of the Company's accounts payable and accrued liabilities were a reasonable approximation of fair value due to their short-term nature.

Financial instruments measured at fair value on the balance sheet were made using inputs within the following fair value hierarchy that reflect their significance:

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.

There have been no transfers between levels 1 and 2, or transfers in or out of level 3 for the years ended July 31, 2019 and 2018.

a) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper and gold, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

b) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, United States of America, Peru, and Zambia and a portion of its expenses are incurred in United States dollars ("USD"). A significant change in the currency exchange rates between the Canadian dollar and the US dollar could have an effect on the Company's results of operations, financial position or cash flows.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The Company has not hedged its exposure to currency fluctuations. At January 31, 2020, the Company was exposed to currency risk through the following assets and liabilities denominated in USD.

	January 31, 2020	July 31, 2019
Cash	**$ 2,045**	$ 308
Assets held for sale	**$ 1**	$ 1
Accounts payable and accrued liabilities	**$ (238,880)**	$ (242,731)

Based on the above net exposures at January 31, 2020, and assuming that all other variables remain constant a 10% appreciation or depreciation of the Canadian dollar against the USD would result in an increase/decrease of $24,000 in the Company's loss from operations.

c) Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes the company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

The difficult market conditions make it uncertain whether the Company can continue to raise adequate funds to meet its financial obligations (see Notes 1 and 8).

12. SUBSEQUENT EVENT

On February 7, 2020, the Company granted 150,000 incentive stock options to a director exercisable at $0.12 for a period of three years.