BLACKHEATH RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

30 JUNE 2020

Unaudited

BLACKHEATH RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

"Alexander Langer"	*"Kerry Spong"*
Chief Executive Officer	**Chief Financial Officer**

10 August 2020

BLACKHEATH RESOURCES INC.

CONDENSED INTERIM BALANCE SHEETS

Canadian Dollars

Unaudited

ASSETS	As at 30 June 2020	As at 31 December 2019
Current		
Cash	$ 16,501	$ 19,134
Receivables	2,396	1,977
	$ 18,897	$ 21,111

LIABILITIES		
Current		
Accounts payable and accrued liabilities *(Note 6)*	$ 97,648	$ 106,831
Loans payable to related parties *(Note 6)*	30,000	-
	127,648	106,831
SHAREHOLDERS' DEFICIENCY		
Share capital *(Note 3)*	8,088,780	8,088,780
Contributed surplus *(Note 3)*	667,166	667,166
Deficit	(8,864,697)	(8,841,666)
	(108,751)	(85,720)
	$ 18,897	$ 21,111

Nature of operations and going concern *(Note 1)*
Subsequent event *(Note 8)*

ON BEHALF OF THE BOARD:

"James Robertson", Director

"Kerry Spong", Director

- the accompanying notes are an integral part of these financial statements -

BLACKHEATH RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

FOR THE SIX MONTHS ENDED 30 JUNE

Canadian Dollars

Unaudited

	Number of Shares		Share Capital *(Note 3)*		Contributed Surplus *(Note 3)*		Subscriptions Received in Advance *(Note 3)*		Deficit		Total
Balance – 31 December 2018	4,943,618	$	7,963,780	$	667,166	$	100,000	$	(8,814,367)	$	(83,421)
Private placement - shares	200,000		100,000		-		(100,000)		-		-
Loss and comprehensive loss for the period	-		-		-		-		(39,956)		(39,956)
Balance – 30 June 2019	5,143,618	$	8,063,780	$	667,166	$	-	$	(8,854,323)	$	(123,377)
Balance – 31 December 2019	5,193,618	$	8,088,780	$	667,166	$	-	$	(8,841,666)	$	(85,720)
Loss and comprehensive loss for the period	-		-		-		-		(23,031)		(23,031)
Balance – 30 June 2020	5,193,618	$	8,088,780	$	667,166	$	-	$	(8,864,697)	$	(108,751)

BLACKHEATH RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE

Canadian Dollars

Unaudited

	Three Months 30 June 2020	Three Months 30 June 2019	Six Months 30 June 2020	Six Months 30 June 2019
Expenses				
Accounting and audit	$ 4,075	$ 5,844	$ 7,075	$ 9,344
Depreciation	-	67	-	170
Foreign exchange loss (gain)	(469)	(22)	742	(986)
Legal fees	3,483	5,937	3,483	14,107
Office and general	123	322	192	958
Rent and office services	-	-	-	855
Shareholder communications	738	1,545	798	1,725
Stock exchange and filing	3,067	3,567	8,267	8,767
Transfer agent	843	2,896	2,474	3,902
Loss for the period before other item	11,860	20,156	23,031	38,842
Loss on disposal of equipment	-	-	-	1,114
Loss and comprehensive loss for the period	$ 11,860	$ 20,156	$ 23,031	$ 39,956
Loss per share - basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.01
Weighted-average shares outstanding – basic and diluted	5,193,618	5,075,486	5,193,618	5,009,916

- the accompanying notes are an integral part of these financial statements -

BLACKHEATH RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE

Canadian Dollars

Unaudited

CASH RESOURCES PROVIDED BY (USED IN)	2020	2019
Operating activities		
Loss for the period	$ (23,031)	$ (39,956)
Items not involving cash:		
Loss on disposal of equipment	-	1,114
Depreciation	-	170
Changes in non-cash working capital		
Receivables	(419)	4,805
Prepaid expenses	-	855
Accounts payable and accrued liabilities	(9,183)	(2,685)
	(32,633)	(35,697)
Investing activities		
Proceeds from sale of equipment	-	1,000
Financing activities		
Loans received from related parties	30,000	-
Change in cash position for the period	(2,633)	(34,697)
Cash position - beginning of period	19,134	65,062
Cash position - end of period	$ 16,501	$ 30,365

Supplemental schedule of non-cash financing transactions		
Shares issued for subscription received in advance	$ -	$ 100,000

1. NATURE OF OPERATIONS AND GOING CONCERN

Blackheath Resources Inc. (the "Company") is a mineral exploration company incorporated under the British Columbia Business Corporations Act and has its registered office located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, Canada. The Company has a royalty interest in the Borralha tungsten property located in Portugal, which is in the exploration stage and is being explored by another company. Based on the information available to date, the Company has not yet determined whether the Borralha property contains ore reserves.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Several adverse conditions and material uncertainties cast significant doubt upon the validity of this assumption. The Company has no source of operating revenue and is unable to self-finance operations and meet its overhead requirements. The Company has incurred operating losses since inception and as at 30 June 2020 had an accumulated deficit of $8,864,697 and a working capital deficiency of $108,751. The Company's working capital resources are insufficient to meet its overhead requirements for the ensuing twelve months.

The Company's continuing operation is dependent upon its ability to realize proceeds from, or from the sale of, its royalty interest in the Borralha project *(Note 5)* and its ability to obtain the financing necessary to meet its current obligations and fund future corporate and administrative expenses *(Note 8)*. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future or that such funding will be completed on favourable terms. In addition, the COVID-19 pandemic has introduced significant uncertainty in the capital markets, which may affect the ability of junior exploration companies to raise equity to fund exploration activities.

If for any reason the Company is unable to secure the additional sources of financing and continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements; such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended 31 December 2019. All financial information presented herein is unaudited. The Company's board of directors approved these condensed interim financial statements for issue on 10 August 2020.

3. SHARE CAPITAL AND CONTRIBUTED SURPLUS

The Company's authorized share capital consists of an unlimited number of voting common shares without par value.

Effective 9 December 2019, the Company consolidated its outstanding common shares on the basis of one post-consolidation share for every ten pre-consolidation shares. All information and per-share amounts in respect of issued and outstanding shares, incentive stock options, share purchase warrants, and loss per share have been retrospectively adjusted to reflect the consolidation.

In October 2018, the Company optioned its Borralha project to a third party *(Note 5)*. As part of the agreement, the third party subscribed for 2,000,000 pre-consolidation shares of the Company at a price of $0.05 per share for which a share subscription of $100,000 was received during 2018. The option agreement also provided for this third party to make certain future annual investments of $25,000 at market prices, subject to regulatory approval, until a final exploitation license is granted on the property or the option is terminated. Shareholder approval for the agreement and private placement was received in April 2019; upon receiving regulatory approval, the Company issued 2,000,000 pre-consolidation shares from treasury in May 2019 (200,000 post-consolidation shares).

There were no shares issued from treasury or changes in contributed surplus during the period ended 30 June 2020 *(Note 8)*.

4. STOCK OPTIONS AND WARRANTS

The Company has an incentive stock option plan that complies with the rules set forth by the TSX Venture Exchange. There were no changes to stock options or warrants during the periods ended 30 June 2020 or 2019. At 30 June 2020, the Company had outstanding stock options and warrants as follows:

	Number of Shares		Exercise Price	Expiry Date
Options	239,000	$	1.30	30 December 2020
	36,000	$	1.30	5 July 2021
	72,000	$	1.30	26 July 2021
	347,000			
Warrants	735,400	$	1.00	19 July 2020 *(i)*

(i) Expired unexercised 19 July 2020.

The outstanding options have a weighted-average exercise price of $1.30 and a weighted-average remaining life of 0.67 years. The outstanding warrants have a weighted-average exercise price of $1.00 and a weighted-average remaining life of 0.05 years.

5. EXPLORATION AND EVALUATION

The Company expenses exploration and evaluation expenditures in the period incurred. There were no expenditures incurred during the periods ended 30 June 2020 or 2019.

Borralha, Portugal

In December 2012, the Company entered into an option agreement with the owner (the "Optionor") of the Borralha tungsten project, located in northern Portugal, whereby the Company could acquire up to a 100% interest in the project. In October 2018, the Company optioned the Borralha project to a third party (the "Optionee"). Under the terms of the agreement, the Optionee must fulfill all of the terms of the original agreement with the Optionor and incur exploration and evaluation expenditures of $5 million or complete a feasibility study to earn a 90% interest in the project.

As part of the agreement, the Optionee subscribed for common shares of the Company *(Note 3)* and will make future annual investments of $25,000 at market prices until a final exploitation license is granted on the property or the option is terminated.

The agreement provided for the Company retaining a 10% working interest in Borralha, which could be converted to a 1% net smelter returns royalty ("NSR") at the Company's option. In December 2019, the Company elected to convert its interest in the Borralha project into a 1% NSR.

6. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management includes executive and non-executive directors and executive officers. There was no compensation paid or payable to key management or parties related to key management during the periods ended 30 June 2020 or 2019. Accounts payable includes $51,000 in fees due to key management, which were accrued, without terms, during 2016.

During the period, the Company received loan advances totalling $30,000 from certain of its directors and officers. These advances are interest-free, due on demand, with no fixed terms of repayment.

7. SEGMENTED INFORMATION

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company's corporate offices are located in Canada and its current mineral interest consists of an NSR on a property located in Portugal.

8. SUBSEQUENT EVENT

Subsequent to June 30, 2020, the Company completed a private placement of 4,539,090 units at a price of $0.055 per unit for gross proceeds of $249,650. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant entitling the holder to purchase one additional common share of the Company at an exercise price of $0.07 per share for a period of 36 months. The Company paid $13,989 and issued 254,341 finder warrants to qualified finders; the finder warrants carry the same terms as the private placement warrants.