PROSPER GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if an auditor has not performed a review of the 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 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 Condensed Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

PROSPER GOLD CORP.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	January 31, 2020 (Unaudited)	October 31, 2019
ASSETS			
Current assets			
Cash		**$ 374,158**	$ 525,616
Amounts receivable		**5,248**	35,352
Prepaid expenses and deposit	10	**26,653**	19,064
		406,059	580,032
Non-current assets			
Reclamation deposit	5	**190,000**	190,000
Equipment	6	**18,725**	19,930
Mineral properties	7	**658,653**	625,942
		$ 1,273,437	$ 1,415,904
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	**$ 178,216**	$ 223,745
SHAREHOLDERS' EQUITY			
Share capital	8	**13,416,665**	13,416,665
Reserves		**2,086,497**	2,067,472
Deficit		**(14,407,941)**	(14,291,978)
		1,095,221	1,192,159
		$ 1,273,437	$ 1,415,904

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on March 27, 2020. They are signed on behalf of the Board of Directors by:

/s/ "Peter Bernier"

Peter Bernier
Director

/s/ "Jason Hynes"

Jason Hynes
Director

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

PROSPER GOLD CORP.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three months ended January 31, 2020	January 31, 2019
Expenses			
Exploration expenditures	7,11	**$ 30,450**	$ 330,360
General and administrative		**34,702**	39,243
Management fees and salaries	11	**17,807**	10,561
Professional fees		**12,547**	7,260
Share-based payments	9(b), 11	**19,025**	30,970
Transfer agent, listing and filing fees		**3,439**	2,874
		117,970	421,268
Other income			
Interest income		**2,007**	776
Net loss and comprehensive loss for period		**$ 115,963**	$ 420,492
Loss per share			
Basic and diluted		**$ 0.002**	$ 0.007
Weighted average number of common shares outstanding		**62,644,761**	57,889,713

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

PROSPER GOLD CORP.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

For the three months ended January 31, 2019

	Number of Shares	Share Capital	Reserves			Deficit	Total
			Options	Other	Total		
Balance at October 31, 2018	54,692,249	$ 11,987,859	$1,262,451	$ 544,856	$1,807,307	$(13,310,335)	$ 484,831
Private placement - units	2,500,000	225,000	-	25,000	25.000	-	250,000
Private placement – flow-through units	2,916,667	277,083	-	72,917	72,917	-	350,000
Share Issue costs	-	(38,037)	-	6,104	6,104	-	(31,933)
Share-based payments	-	-	30,970	-	30,970	-	30,970
Net loss for the period	-	-	-	-	-	(420,492)	(420,492)
Balance at January 31, 2019	60,108,916	$ 12,451,905	$1,293,421	$ 648,877	$ 1,942,298	$(13,730,827)	$ 663,376

For the three months ended January 31, 2020

	Number of Shares	Share Capital	Reserves			Deficit	Total
			Options	Other	Total		
Balance at October 31, 2019	80,408,916	$ 13,416,665	$1,409,481	$ 657,991	$2,067,472	$(14,291,978)	$ 1,192,159
Share-based payments (note 9(b))	-	-	19,025	-	19,025	-	19,025
Net loss for the period	-	-	-	-	-	(115,963)	(115,963)
Balance at January 31, 2020	**80,408,916**	**$ 13,416,665**	**$1,428,506**	**$ 657,991**	**$2,086,497**	**$(14,407,941)**	**$ 1,095,221**

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

Prosper Gold Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended	
	January 31, 2020	January 31, 2019
Cash provided by (used in):		
Operating activities		
Net loss	**$ (115,963)**	$ (420,492)
Adjustments for:		
Amortization	**1,205**	1,726
Share-based payments	**19,025**	30,970
Net change in non-cash working capital		
Amounts receivable	**30,104**	(28,244)
Prepaid expenses and deposit	**(7,589)**	1,080
Accounts payable and accrued liabilities	**(45,529)**	47,580
	(118,747)	(367,380)
Investing activities		
Acquisition of mineral properties	**(32,711)**	(20,191)
	(32,711)	(20,191)
Financing activities		
Issuance of units in connection of private placement, net of share issue costs	**-**	244,623
Issuance of flow-through units in connection of private placement, net of share issue costs	**-**	323,444
	-	568,067
Increase/(decrease) in cash	**(151,458)**	180,496
Cash, beginning of period	**525,616**	29,790
Cash, end of period	**$ 374,158**	$ 210,286

Non-cash activities:

Fair value of broker warrants for private placement	$ -	$ 6,104

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

1. Nature of operations and going concern

Prosper Gold Corp. (“Prosper” or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on October 11, 2007, continued into British Columbia under the *Business Corporations Act* (British Columbia) and changed its name from Lander Energy Corporation on April 26, 2012. The registered office of the Company is located at 468 B Reid Street, Quesnel, British Columbia, V2J 2M6. Effective September 3, 2013, the Company’s common shares are listed on the TSX Venture Exchange (the “Exchange”), trading under the symbol “PGX” upon completion of its Qualifying Transaction on August 30, 2013. Prior to September 3, 2013, the Company was classified as a capital pool company ("CPC") as defined under Policy 2.4 of the Exchange, and trading on the NEX board of the Exchange under the symbol “PGX-H”.

The principal business activity of the Company is the acquisition, exploration and development of mineral properties. These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. The Company has not yet generated any revenues, has incurred losses and negative cash flows from operations since inception and has a deficit of $14,407,941 as at January 31, 2020 (October 31, 2019 - $14,291,978). At January 31, 2020, the Company had cash of $374,158 (October 31, 2019 - $525,616) and working capital of $227,843 (October 31, 2019 working capital - $356,287). The ability of the Company to continue as a going concern over a longer term is dependent on the Company’s ability to complete financing to meet administrative overhead and to complete the exploration and development of its mineral property interest, or attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interest. However, there is no guarantee that the Company will establish economically recoverable reserves, profitable operations or positive cash flows from operations. The Company will continue to raise funding through equity financing to continue operations and has been successful to date, but there can be no assurance that adequate financing will be available in the future, or available on terms acceptable to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company’s ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, these condensed interim financial statements do not include all the information and disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2019, which have been prepared in accordance with IFRS.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are recorded at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The Company’s interim results are not necessarily indicative of its results for the full year.

2. Basis of preparation (continued)

(c) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

(d) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Actual results could differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The critical judgment and assumptions applied in the preparation of these condensed interim financial statements and other major sources of measurement uncertainty are consistent with those applied and disclosed in the Company's audited financial statements for the year ended October 31, 2019.

3. Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended October 31, 2019.

4. New Accounting standards in effect

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

This new standard does not have any material impact to the Company's financial statements.

(Expressed in Canadian Dollars)

5. Reclamation deposit

The Company was required to post a security deposit of $190,000 in favor of the Ministry of Energy and Mines prior to commencement of surface work at the Star Project. A security deposit for this amount was posted with a Canadian financial institution and bears interest at 1.0% to 1.25%.

6. Equipment

	Computer Equipment	Office Furniture	Field Equipment	Vehicle	Total
Cost					
As at October 31, 2018	$ 15,523	$ 2,236	$ 28,186	$ 13,704	$ 59,649
Additions	-	-	-	-	-
As at October 31, 2019 and January 31, 2020	$ 15,523	$ 2,236	$ 28,186	$ 13,704	$ 59,649
Accumulated Amortization					
As at October 31, 2018	$ 12,763	$ 1,205	$ 10,850	$ 7,997	$ 32,815
Amortization	1,518	206	3,468	1,712	6,904
As at October 31, 2019	14,281	1,411	14,318	9,709	39,719
Amortization	171	41	693	300	1,205
As at January 31, 2020	$ 14,452	$ 1,452	$ 15,011	$ 10,009	$ 40,924
Carrying value					
As at October 31, 2019	$ 1,242	$ 825	$ 13,868	$ 3,995	$ 19,930
As at January 31, 2020	**$ 1,071**	**$ 784**	**$ 13,175**	**$ 3,695**	**$ 18,725**

7. Mineral properties

The Company capitalizes costs of mineral property option payments for cash and share issuances and the related transaction costs for the Ontario Projects in Ontario and the Star Property in British Columbia.

	Ontario Projects						
Costs	**Matachewan**	**Wydee**	**Galahad**	**Egan**	**Currie**	**Star**	**Total**
Balance, October 31, 2018	$ 31,585	$ 31,935	$ 83,517	$ 96,230	$ 41,983	$ 446,715	$ 731,965
Option payments	5,000	-	-	-	-	-	5,000
Share issuance	18,000	7,500	-	-	-	-	25,500
Transaction costs	1,690	-	-	20,191	-	-	21,881
Write-off	-	-	-	(116,421)	(41,983)	-	(158,404)
Balance, October 31, 2019	56,275	39,435	83,517	-	-	446,715	625,942
Option payment	-	29,529	-	-	-	-	29,529
Transaction costs	2,140	1,042	-	-	-	-	3,182
Balance, January 31, 2020	**$ 58,415**	**$ 70,006**	**$ 83,517**	**$ -**	**$ -**	**$ 446,715**	**$ 658,653**

7. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada

Matachewan and Wydee
On February 25, 2016 (“Alexandria Effective Date”), the Company entered into a definitive agreement (the “Alexandria Option Agreement”) with Alexandria Minerals Corporation (“Alexandria”), whereby Alexandria has granted the Company the option to acquire a 90% interest in the Wydee and Matachewan claims in central Ontario (collectively, the “Alexandria Properties”). The Alexandria Option Agreement requires the Company to issue 750,000 Prosper shares and for work expenditures totaling $5,000,000 over five years in order for the Company to earn a 75% interest (“First Alexandria Option”) in both the Wydee and Matachewan claims as follows:

(i) Issue 150,000 shares (75,000 shares for Wydee and 75,000 shares for Matachewan) on or before five business days after the receipt of the required approval of the Exchange of the agreement (issued);
(ii) Incur $120,000 ($60,000 for Wydee and $60,000 for Matachewan) in expenditures, including airborne survey on the property on or before six months after the Alexandria Effective Date (incurred);
(iii) Issue 150,000 shares (75,000 shares for Wydee and 75,000 shares for Matachewan) (note 9(c)) on or before 24 months after the Alexandria Effective Date (issued);
(iv) Issued 150,000 shares (75,000 shares for Wydee and 75,000 shares for Matachewan) (note 9(c)) on or before 36 months after the Alexandria Effective Date (issued February 22, 2019);
(v) Issue 150,000 shares (75,000 shares for Wydee and 75,000 shares for Matachewan) on or before 48 months after the Alexandria Effective Date (issued February 18, 2020); and
(vi) Issue 150,000 shares (75,000 shares for Wydee and 75,000 shares for Matachewan) and incur an additional $4,880,000 ($2,440,000 for Wydee and $2,440,000 for Matachewan) on expenditures on or before 60 months of the Alexandria Effective Date.

Upon the Company acquiring a 75% interest in the Alexandria properties, the Company and Alexandria will enter into a joint venture for the exploration and development of the Alexandria property. The Company may elect to exercise the First Alexandria Option to only one of the claims within 60 months of the Alexandria Effective Date by issuing an additional 125,000 shares to Alexandria.

Subject to the First Alexandria Option, Alexandria grants the Company the exclusive irrevocable right and option to acquire an additional 15% interest (“Second Alexandria Option”) upon the delivery of and acceptance by Alexandria of a resource estimate report that delineates a minimum of 1,500,000 ounces of gold on the property.

During the quarter, the Company paid $29,529 to the Matachewan Frist Nations as part of the Memorandum of Understanding (“MOU”) for the Wydee property entered into by Alexandria. Legal fees of $1,042 were incurred for this transaction.

Galahad
On April 20, 2016, the Company entered into a purchase agreement (the “Purchase Agreement”) with JCML Resources Inc. (“JCML”), whereby the Company agreed to acquire 13 mineral claims (“Galahad”) surrounding the Ashley Gold Mine for $50,000 and 100,000 Prosper shares. The Company issued the 100,000 common shares at a price of $0.26 per share and paid $50,000 for the acquisition in 2016.

During the 2017 fiscal year, the Company received a grant for $145,328 from the Junior Exploration Assistance Program from the Ontario Prospectors Association, which has been offset against exploration expenditures.

(Expressed in Canadian Dollars)

7. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada (continued)

Egan Purchase
On December 18, 2017, the Company entered into a purchase agreement to acquire a 100% interest in the mineral claims commonly referred to as the "Ontario Claims". Pursuant to the terms of the purchase agreement, the Company must pay the vendors a total of $6,000 (paid) within 5 days of the signing of the agreement and issue to the vendors a total of 120,000 common shares (issued February 9, 2018) (note 9(c)) of the Company within 5 days of receiving the required approval from the Exchange.

Upon the Company acquiring the 100% interest in the Ontario Claims, the Company will grant the vendors a 1% NSR over the property which can repurchased by the Company upon payment of $1,000,000 to the vendors.

During the year ended October 31, 2019, the Company wrote-off the costs of $25,720 for the Egan Purchase in accordance with level 3 of the fair value hierarchy as the Company no longer intends to pursue this project.

Egan Property
On January 22, 2018, the Company signed an option agreement to acquire a 100% interest in the mineral claims comprising the Egan Property, Ontario. The Company is required to pay an aggregate of $500,000 to the optionors and to issue an aggregate of 1,100,000 common shares of the Company within 40 months after the execution of a definitive agreement. The Letter of Intent ("LOI") executed on November 6, 2017 included a payment of $6,000 paid to the optionors. The schedule of cash and share payments are as follows:

Due Dates	Shares to be Issued	Cash Payments
Upon signing the LOI	-	$6,000 (paid)
Within 10 business days of Exchange approval following execution of the definitive agreement	100,000 (issued February 19, 2018) (note 9(c))	An additional $44,000 (paid February 15, 2018)
Within 12 months after execution of the definitive agreement	An additional 200,000 (*not issued)	An additional $75,000 (* not paid)
Within 30 months after execution of the definitive agreement	An additional 300,000	An additional $125,000
Within 42 months after execution of the definitive agreement	An Additional 500,000	An additional $250,000
Total	1,100,000	$500,000

The optionors hold a 3% NSR interest of which 2% may be purchased by the Company for $2,500,000 upon the Company acquiring a 100% interest in the property.

Prior to the date the option is exercised, the optionors will not be required to contribute to the costs of the property until the Company exercises its option and from then, all benefits, rights, profits, obligations, expenses, losses and liabilities to be derived from the property shall be allocated to or borne by the Company and the optionors in accordance with their respective interests.

If the Company acquires additional properties within a three-kilometer area of interest parallel to all existing borders of the properties, such additional properties will be subject to a 2% NSR royalty in favor of the optionors, of which 1% may be purchased by the Company for $1,000,000.

7. Mineral properties (continued)

(a) Ontario Projects, Ontario, Canada (continued)

Egan Property (continued)

Any additional adjacent property purchased by the optionors on behalf of the Company, with the Company's consent, will be charged to the Company at the cost of acquisition and subject to a 2% NSR royalty of which 1% may be purchased for $1,000,000 with the exception of claims that have an existing third-party NSR.

The Company also paid an additional $1,800 for new claims during the 2018 fiscal year.

(*) During the year ended October 31, 2019, the Company terminated the agreement entered into on January 22, 2018. Cost of $70,510 for mineral claims for the Egan Property was written off in accordance with level 3 of the fair value hierarchy.

Currie Property
On February 8, 2018, the Company entered in to an option agreement to acquire the exclusive right and option to acquire a 100% interest in the property. In order for the Company to exercise the option, the Company shall:

(a) On or before 30 business days after the receipt of the required approvals of the Exchange:
  (i) Issue an aggregate of 200,000 shares (issued)
  (ii) Pay an aggregate of $20,000 cash (paid)

(b) On or before 18 months after the effective date:
  (i) Issue an aggregate of 250,000 common shares (*not issued)
  (ii) Pay aggregate of $110,000 cash (*not paid)

Upon the exercise of the option, the Company is subject to a 2% NSR and may repurchase 1% of the property royalty upon payment to the optionors $1,000,000.

(*) During the year ended October 31, 2019, the Company terminated the option agreement and wrote off the costs $41,983 in accordance with level 3 of the fair value hierarchy.

Ontario Property – Egan Township
On December 17, 2018, the Company acquired 100% interest in the mineral property known as the Ontario Property in the District of Cochrane located in the Egan Township. The Company paid cash of $20,191. The property is no longer in use and the amount of $20,191 has been written off during the year.

Matachewan Land Package
On March 21, 2019, the Company entered into a purchase agreement and acquired 100% interest in 64 mineral claims and 6 mining patents. The Company paid $5,000 and issued 150,000 common shares at $0.07 per share. Share issue costs of $1,690 were paid for legal fees and filing fees with the Exchange. During the quarter, transaction costs for legal fees of $2,140 were paid for legal fees to transfer the titles of the claims to the Company.

(b) Star Property, British Columbia, Canada

Pursuant to an option agreement dated July 15, 2013 between the Company and Firesteel Resources Inc. ("Firesteel") (the "Option Agreement"), the Company has the exclusive option to earn up to an 80% interest in 19 mining claims on the Star property (formerly the Sheslay property), a copper-gold discovery located northwest of Telegraph Creek,

(Expressed in Canadian Dollars)

7. Mineral properties (continued)

(b) Star Property, British Columbia, Canada (continued)

British Columbia, in the Stikine Arch area of northwestern British Columbia, in exchange for cash payments, the issuance of common shares and exploration expenditures over four years as follows:

Pursuant to the option agreement (the "First Option"), the Company has earned a 51% interest in the Star property by:

- Making cash payments to Firesteel totalling $300,000 over 18 months (paid);
- Issuing a total of 300,000 Prosper common shares to Firesteel (issued); and
- Incurring exploration expenditures totalling $1,000,000 over 18 months (incurred).

The Company has an additional option (the "Second Option") to earn an additional 19% interest, thereby increasing its total interest in the Property to 70%, which may be exercised by:

- Making cash payments to Firesteel totalling $200,000 over 36 months (due August 30, 2016) (unpaid);
- Issuing a total of 200,000 Prosper common shares to Firesteel over a period of 36 months (due August 30, 2016) (unissued); and
- Incurring exploration expenditures totalling $2,000,000 over 36 months (incurred).

The Company has an additional option (the "Third Option") to earn an additional 10% interest, thereby increasing its total interest in the Property to 80%, which may be exercised by:

- Making cash payments to Firesteel totalling $500,000 over 48 months (unpaid);
- Issuing a total of 500,000 Prosper common shares to Firesteel over a period of 48 months (unissued); and
- Incurring exploration expenditures totalling $2,000,000 over 48 months (incurred).

Rather than making the Second Option payment and issuance of common shares due August 30, 2016 and the Third Option payment and issuance of common shares due August 30, 2017, the Company and Firesteel entered into a joint venture agreement on August 30, 2016. The Company holds 51% ownership of the Star property. The joint venture agreement specifies that the Company and Firesteel will contribute funds to continue explorations on the Star property pro-rata, based on their percentage of ownership; 51% to be contributed by Prosper and 49% to be contributed by Firesteel.

The underlying royalty holders are entitled to a 2% NSR on the property. The Company has the option to purchase the 2% royalty entitlement for $2,000,000.

(c) Exploration and evaluation expenditures

During the periods ended January 31, 2020 and 2019, the Company's exploration expenditures consist of the following:

	Ontario Projects		**Star Property**	
	January 31, 2020	January 31, 2019	**January 31, 2020**	January 31, 2019
Assay and analysis	**$ -**	$ 20,100	**$ -**	$ -
Drilling	**-**	197,245	**-**	-
Field costs (note 11(b))	**27,546**	64,100	**600**	600
Geological (note 11(a))	**1,800**	37,090	**-**	-
Transportation and freight	**504**	3,952	**-**	-
Travel and accommodations	**-**	7,273	**-**	-
	$ 29,850	$ 329,760	**$ 600**	$ 600

8. Share capital

(a) Authorized

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

(b) Issued

i) On November 29, 2018, the Company completed a private placement of $250,000 for the issuance of 2,500,000 units at $0.10 per unit. Each unit contains one common share and one share purchase warrant for one common share at $0.15 expiring in 24 months. A portion of the proceeds from the unit private placement has been allocated to reserves for the warrants in the private placement units based on the market price of the share used for the issuance. Share issue costs of $5,377 were incurred.

ii) On December 17, 2018, the Company completed a non-brokered private placement of $350,000 through the issuance of 2,916,667 units of flow-through shares at a price of $0.12 per unit. Each flow-through unit consists of one common share and one half of one non-transferable non-flow through common share purchase warrants.

Each non-flow through warrant entitles the holder to purchase one common share at an exercise price of $0.17 for a period of 24 months from the closing date.

Finder's fees totalling $16,500 in cash were paid and 137,500 common share purchase warrants were issued. Each Finder's warrant is non-transferable and exercisable for one common share at $0.17 for a period of 24 months from the closing date. The Finder's warrants issued had a fair value of $6,105. Additional share issue costs for legal and filing fees of $12,630 were incurred.

Of the proceeds from the flow-through unit private placement, $64,750 has been allocated to reserves for the one-half warrants in the flow-through private placement units based on the market price of the Company's share used for the issuance and $8,167 has been allocated to flow-through premium liability. The Company has incurred $350,000 in qualified expenditures from the flow-through financing during the year ended October 31, 2019, and as a result, the flow-through premium liability of $8,167 has been recorded and recognized as other income.

iii) On September 9, 2019, the Company completed a non-brokered private placement of 20,000,000 units at a price of $0.05 per unit for a gross proceed of $1,000,000. Each warrant entitles the holder to acquire one common share at a price of $0.08 and expires in 24 months. In connection of the private placement, finder's fees totaling $24,000 in cash were paid and 480,000 common share purchase warrants with a fair value of $17,280 were issued. Additional cash $16,885 were paid for legal, transfer agent and filing fees.

(Expressed in Canadian Dollars)

9. Options and warrants

(a) Stock option plan

The Company has a stock option plan under which the Board of Directors may from time to time grant to directors, senior officers, consultants and employees options to acquire common shares, exercisable for a period of up to ten years from the date of grant. The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 10% of the total issued and outstanding common shares. The maximum number of common shares that may be reserved for issuance to any individual insider pursuant to share options may not exceed 5% of the common shares issued and outstanding at the time of grant, and the number of common shares that may be reserved for issuance to all technical consultants pursuant to share options may not exceed 2% of the common shares issued and outstanding at the time of grant. Options become exercisable as long as the optionee holds office or continues to be employed by the Company and 90 days following the cessation of an optionee's position with the Company.

(b) Stock options

On December 17, 2018, the Company granted 2,400,000 stock options to directors, an officer and consultants of the Company. The Options are exercisable at $0.15 with an expiry of 5 years from the grant date. The options have vesting terms of 25% every 6 months.

A continuity schedule of the Company's outstanding stock options under the stock option plan is as follows:

	Number Outstanding	Weighted Average Exercise Price
At October 31, 2018	3,600,000	$0.30
Granted	2,400,000	$0.15
At January 31, 2019	6,000,000	$0.24
Expired	(900,000)	$0.20
At October 31, 2019 and January 31, 2020	**5,100,000**	**$0.19**

As at January 31, 2020, the Company had the following share purchase options outstanding and exercisable:

Expiry Date	Exercise Price	Options Outstanding	Fair Value at Grant Date	Remaining Contractual Life (yrs)	Options Exercisable
May 31, 2021	$ 0.240	700,000	$ 0.184	2.33	700,000
September 2, 2021	$ 0.345	700,000	$ 0.267	2.59	700,000
January 23, 2022	$ 0.200	500,000	$ 0.185	2.98	500,000
March 23, 2023	$ 0.150	800,000	$ 0.120	4.09	600,000
December 17, 2023	$ 0.150	2,400,000	$ 0.105	4.88	1,200,000
		5,100,000	**$ 0.148**	**2.91**	**3,700,000**

(*) 25,000 option with expiry date of February 14, 2019 expired unexercised after the period-end.

(Expressed in Canadian Dollars)

9. Options and warrants (continued)

(b) Stock options (continued)

The total fair value of the incentive options and broker warrants were calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

	January 31, 2020	January 31, 2019
Risk-free interest rate	**1.85%**	1.84%
Expected volatility	**112%**	101%
Expected life	**4.41 years**	4.83 years
Expected dividend yield	**-**	-
Share price	**$ 0.10**	$ 0.11
Exercise price	**$ 0.16**	$ 0.16
Expected forfeitures	**0.00%**	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of comparable companies' stock for a length of time equal to the expected life of the options.

Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0.00% in determining the expense recorded in the accompanying statements of comprehensive loss.

The fair value of the incentive options during the period ended January 31, 2020 of $19,025 (January 31, 2019 - $30,970) was recognized as share-based payments. The balance consists of $17,115 (January 31, 2019 - $27,071) to directors and officers, $Nil (January 31, 2019 - $Nil) to an employee and $1,910 (January 31, 2019 - $3,899) to consultants.

(c) Warrants

On November 29, 2018, the Company issued 2,500,000 warrants exercisable at $0.15 per warrant with expiry date of 24 months in conjunction with the unit private placement.

On December 17, 2018, the Company issued 1,458,333 warrants and 137,500 broker warrants with an exercise price of $0.17 per warrant with expiry date of 24 months in conjunction with the flow-through private placement. The fair value of the broker warrants of $6,104 has been included in share issue costs and reserves.

On September 9, 2019, the Company issued 20,000,000 warrants ad 480,000 broker warrants with an exercise price of $0.08 per warrant with expiry date of 24 months from the date of issuance. The fair value of the broker warrants of $17,280 has been included in share issue costs and reserves.

(Expressed in Canadian Dollars)

9. Options and warrants (continued)

(c) Warrants (continued)

A continuity schedule of the Company's outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
At October 31, 2018	18,046,194	$0.32
Issued – warrants for private placement	2,500,000	$0.15
Issued – warrants for private placement	1,458,333	$0.17
Issued - broker warrants	137,500	$0.17
At January 31, 2019	22,142,027	$0.29
Issued – warrants for private placement	20,000,000	$0.08
Issued – broker warrants	480,000	$0.08
Expired	(10,348,675)	$0.31
At October 31, 2019	32,273,352	$0.14
Expired	(2,672,519)	$0.55
At January 31, 2020	**29,600,833**	**$0.10**

On February 28, 2020, 5,000,000 warrants and 25,000 broker warrants with an exercise price of $0.15 expired unexercised.

10. Financial instruments

The Company's financial instruments consist of cash, amounts receivable (other than GST receivable), deposit, reclamation deposit and accounts payable and accrued liabilities. The Company's cash, amounts receivable (other than GST receivable) and deposit are classified as loans and receivables; and the reclamation deposit is classified as held-to-maturity. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

The fair values of the Company's cash, amounts receivable (other than GST receivable), deposit and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash, deposit and reclamation deposit are deposited with a large financial institution with a strong credit rating. Amounts receivable consists of GST receivable and credits on vendor payable balances.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations associated with its financial instruments. The Company manages liquidity risk by maintaining adequate cash and managing its capital. At January 31, 2020, the Company had accounts payable and accrued liabilities of $178,216 (October 31, 2019 - $223,745) due within one year, and cash of $374,158 (October 31, 2019 - $525,616).

10. Financial instruments (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Floating interest earned on the Company's cash balances are considered to be at market interest rates. The deposit of $15,458 (October 31, 2019 - $4,138) earns no interest and is deposited with a major bank for the Company's corporate credit card. Assuming that all variables remain constant, a change representing a 1% increase or decrease in the interest rate would not have a significant effect for the Company.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. At January 31, 2020, the Company's monetary assets and liabilities are primarily denominated in Canadian dollars.

There has been no change to the Company's approach to risk management during the period ended January 31, 2020.

11. Related party transactions and balances

The Company's related parties consist of its key management personnel, including its directors, and their close family members and entities controlled by key management personnel. During the periods ended January 31, 2020 and 2019, the Company had the following related party transactions:

(a) Key management compensation for the periods ended January 31, 2020 and 2019 were as follows:

	January 31, 2020	January 31, 2019
Short-term benefits	**$ 32,300**	$ 64,130
Share-based payments	**17,115**	27,071
	$ 49,415	$ 91,201

Short-term benefits include $17,807 (January 31, 2019 - $10,561) in management fees, $Nil (January 31, 2019 - $36,250) in geological exploration expenditures and $14,493 (January 31, 2019 - $17,319) in field expenses.

(b) At January 31, 2020, accounts payable and accrued liabilities include $131,250 (October 31, 2019 - $131,250) due to companies owned by directors and officers of the Company and $5,938 (October 31, 2019 - $13,085) due to officers of the Company.

12. Segmented information

The Company has one reportable operating segment in two geographical locations, being the exploration and development of the Star property in British Columbia, Canada and exploration and development of the Ontario Projects in Ontario, Canada.

13. Management of capital

The Company's capital includes all amounts attributable to its shareholders. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying

13. Management of capital (continued)

assets. To maintain or adjust its capital structure, the Company may issue additional shares or debt. The Company is dependent on the capital markets as its primary source of operating capital, and the Company's capital resources are largely determined by the strength of the junior resource markets.

The Company is not subject to any capital requirements imposed by regulators or other third parties.

At January 31, 2020, the Company had cash of $374,158 and working capital of $227,843. The Company will require additional capital to fund its total obligations under the Option Agreement to purchase the Ontario Projects and the Star property (note 7) and general and administrative costs. However, there is no guarantee that such financing will be available to the Company or on suitable terms.

There were no changes in the Company's approach to capital management during the period ended January 31, 2020.

14. Subsequent events

On February 18, 2020, the Company issued 150,000 common shares to O3 Mining Inc. (previously known as Alexandria Minerals Corporation) per the Alexandria option agreement.

Since December 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced customer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments