PROSPER GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JULY 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

PROSPER GOLD CORP.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	July 31, 2020 (Unaudited)	October 31, 2019
ASSETS			
Current assets			
Cash		$ 55,193	$ 525,616
Amounts receivable		43,075	35,352
Prepaid expenses and deposit	11	14,697	19,064
		112,965	580,032
Non-current assets			
Reclamation deposit	5	190,000	190,000
Equipment	6	26,364	19,930
Mineral properties	7	666,153	625,942
		$ 995,482	$ 1,415,904
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	$ 172,482	$ 223,745
Loan payable	8	35,538	-
Deferred gain on loan payable	8	4,462	-
		40,000	-
		212,482	223,745
SHAREHOLDERS' EQUITY			
Share capital	9	13,423,588	13,416,665
Reserves		2,111,706	2,067,472
Deficit		(14,752,294)	(14,291,978)
		783,000	1,192,159
		$ 995,482	$ 1,415,904

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on September 25, 2020. They are signed on behalf of the Board of Directors by:

/s/ "Peter Bernier" | */s/ "Jason Hynes"*

Peter Bernier
Director

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	3 months ended July 31, 2020	3 months ended July 31, 2019	9 months ended July 31, 2020	9 months ended July 31, 2019
Expenses					
Exploration expenditures	7,12	**$ 32,275**	$ 63,109	**$ 207,556**	$ 546,461
General and administrative		**38,231**	20,645	**114,204**	85,221
Management fees	12	**16,324**	17,270	**52,999**	44,938
Professional fees		**5,623**	4,449	**28,293**	16,048
Share-based payments	10(b), 12	**9,282**	38,149	**44,234**	120,426
Transfer agent, listing and filing fees		**8,911**	2,993	**16,406**	9,536
		110,646	146,615	**463,692**	822,630
Other (income) expenses					
Interest income		**(91)**	(562)	**(3,376)**	(2,540)
Write-off of mineral properties		**-**	-	**-**	70,510
		(91)	(562)	**(3,376)**	67,970
Net loss and comprehensive loss for period		**$ 110,555**	$ 146,053	**$ 460,316**	$ 890,600
Loss per share					
Basic and diluted	1, 15	**$ 0.01**	$ 0.02	**$ 0.06**	$ 0.15
Weighted average number of common shares outstanding	1, 15	**8,055,891**	6,040,891	**8,049,924**	5,951,544

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 nine months ended July 31, 2019

	Number of Shares [1]	Share Capital	Reserves Options	Reserves Other	Reserves Total	Deficit	Total
Balance at October 31, 2018	5,469,225	$ 11,987,859	$1,262,451	$ 544,856	$1,807,307	$(13,310,335)	$ 484,831
Private placement – units	250,000	225,000	-	25,000	25,000	-	250,000
Private placement – flow-through units	291,666	277,083	-	72,917	72,917	-	350,000
Shares issued for property	30,000	25,500	-	-	-	-	25,500
Share issue costs	-	(40,612)	-	6,104	6,104	-	(34,508)
Share-based payments	-	-	120,426	-	120,426	-	120,426
Net loss for the period	-	-	-	-	-	(890,600)	(890,600)
Balance at July 31, 2019	6,040,891	$ 12,474,830	$1,382,877	$ 648,877	$2,031,754	$ (14,200,935)	$ 305,649

For the nine months ended July 31, 2020

	Number of Shares [1]	Share Capital	Reserves Options	Reserves Other	Reserves Total	Deficit	Total
Balance at October 31, 2019	8,040,891	$ 13,416,665	$ 1,409,481	$ 657,991	$2,067,472	$(14,291,978)	$ 1,192,159
Shares issued for property (notes 7(a)&9(c))	15,000	7,500	-	-	-	-	7,500
Share issue costs (note 9(c))	-	(577)	-	-	-	-	(577)
Share-based payments (note 10(b))	-	-	44,234	-	44,234	-	44,234
Net loss for the period	-	-	-	-	-	(460,316)	(460,316)
Balance at July 31, 2020	**8,055,891**	**$ 13,423,588**	**$ 1,453,715**	**$ 657,991**	**$2,111,706**	**$(14,752,294)**	**$ 783,000**

*(1) See Note 1 and Note 15 on share consolidation.

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)

	Nine months ended	
	July 31, 2020	July 31, 2019
Cash provided by (used in):		
Operating activities		
Net loss	**$ (460,316)**	$ (890,600)
Adjustments for		
Amortization of equipment	**4,425**	5,178
Amortization of deferred gain on loan payable	**(423)**	-
Accretion expense on loan payable	**423**	-
Share-based payments	**44,234**	120,426
Write-off of mineral property	**-**	70,510
Net change in non-cash working capital		
Amounts receivable	**(7,723)**	4,682
Prepaid expenses and deposit	**4,367**	25,881
Accounts payable and accrued liabilities	**(51,263)**	113,733
	(466,276)	(550,190)
Investing activities		
Equipment purchased	**(10,859)**	-
Mineral property option payment and acquisition costs	**(32,711)**	(25,752)
Cash used in investing activities	**(43,570)**	(25,752)
Financing activities		
Proceeds from 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
Share issue costs for shares issued for mineral properties	**(577)**	(2,575)
Loan payable	**40,000**	-
Cash provided by financing activities	**39,423**	565,492
Decrease in cash	**(470,423)**	(10,450)
Cash, beginning of period	**525,616**	29,790
Cash, end of period	**$ 55,193**	$ 19,340

Non-cash activities:		
Shares issued for mineral property	$ 7,500	$ 25,500
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 2300, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3. 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".

On September 8, 2020, the Company completed the consolidation of the common shares in the capital of the Company at a ratio of 10 pre-Consolidation Common Shares for 1 post-consolidation common share (the "consolidated shares"). The consolidated shares began trading on a consolidated basis under the existing trading symbol at market open on September 8, 2020. The share consolidation reduced the number of the Company's outstanding common shares from 80,558,916 common shares to 8,055,891 common shares. As a result of the share consolidation, all information involving the Company's share capital, outstanding stock options and warrants will also be adjusted with a basis of 10 to 1 along with proportionate adjustments made to the exercise prices of the outstanding options and warrants.

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 $14,752,294 as at July 31, 2020 (October 31, 2019 - $14,291,978). At July 31, 2020, the Company had cash of $55,193 (October 31, 2019 - $525,616) and working capital deficit of $59,517 (October 31, 2019 – working capital of $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 interests, or attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. 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.

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 has caused 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 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.

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.

2. Basis of preparation

(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.

(b) 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.

(c) 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 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 of British Columbia 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 0.25%.

6. Equipment

	Computer Equipment	Office Furniture	Field Equipment	Vehicle	Total
Cost					
As at October 31, 2018 and 2019	$ 15,523	$ 2,236	$ 28,186	$ 13,704	$ 59,649
Additions	1,998	-	8,861	-	10,859
As at July 31, 2020	$ 17,521	$ 2,236	$ 37,047	$ 13,704	$ 70,508
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	879	124	2,523	899	4,425
As at July 31, 2020	$ 15,160	$ 1,535	$ 16,841	$ 10,608	$ 44,144
Carrying value					
As at October 31, 2019	$ 1,242	$ 825	$ 13,868	$ 3,995	$ 19,930
As at July 31, 2020	**$ 2,361**	**$ 701**	**$ 20,206**	**$ 3,096**	**$ 26,364**

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 issuances	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 payments	-	29,529	-	-	-	-	29,529
Share issuances	3,750	3,750	-	-	-	-	7,500
Transaction costs	2,140	1,042	-	-	-	-	3,182
Balance, July 31, 2020	**$62,165**	**$73,756**	**$ 83,517**	**$ -**	**$ -**	**$446,715**	**$ 666,153**

(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

7. Mineral properties (continued)

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

Matachewan and Wydee (continued)
"Alexandria Properties"). During 2019, Alexandria was acquired by Q3 Mining Inc. The Alexandria Option Agreement requires the Company to issue 75,000 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 15,000 shares (7,500 shares for Wydee and 7,500 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 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 24 months after the Alexandria Effective Date (issued);
(iv) Issued 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 36 months after the Alexandria Effective Date (issued February 22, 2019);
(v) Issue 15,000 shares (7,500 shares for Wydee and 7,500 shares for Matachewan) on or before 48 months after the Alexandria Effective Date (issued February 18, 2020); and
(vi) Issue 15,000 shares (7,500 shares for Wydee and 7,5000 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 12,500 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 six months ended April 30, 2020, the Company paid $29,529 to the Matachewan First 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 10,000 Prosper shares. The Company issued the 10,000 common shares at a price of $2.60 per share and paid $50,000 for the acquisition in 2016.

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 15,000 common shares at $0.70 per share. Share issue costs of $1,690 were paid for legal fees ad filing fees with the Exchange during the 2019 fiscal year. During the nine months ended July 31, 2020, transaction costs for legal fees of $2,140 were paid 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, British

(Expressed in Canadian Dollars)

7. Mineral properties (continued)

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

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 30,000 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 by August 30, 2016) (unpaid);
- Issuing a total of 20,000 Prosper common shares to Firesteel over a period of 36 months (due by 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 (due by August 30, 2017);
- Issuing a total of 50,000 Prosper common shares to Firesteel over a period of 48 months (due by August 30, 2017); and
- Incurring exploration expenditures totalling $2,000,000 over 48 months (due by August 30, 2017).

Rather than making the Second Option payment and issuance of common shares due by August 30, 2016 and the Third Option payment and issuance of common shares due by 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 additional NSR for $2,000,000.

(c) Exploration and evaluation expenditures

During the 3 months and 9 months ended July 31, 2020, the Company’s exploration expenditures consist of the following:

	Ontario	Star	Total	Ontario	Star	Total
	3 months ended July 31, 2020	3 months ended July 31, 2020	3 months ended July 31, 2020	9 months ended July 31, 2020	9 months ended July 31, 2020	9 months ended July 31, 2020
Assay and analysis	$ -	$ -	$ -	$ 6,985	$ -	$ 6,985
Claim staking	416	-	416	416	-	416
Drilling	-	-	-	96,361	-	96,361
Equipment rental	800		800	800	-	800
Field costs (recovery)	10,718	(35,400)	(24,682)	20,690	(34,200)	(13,510)
Geological (note 12)	8,925	1,350	10,275	16,825	4,950	21,775
Property rentals and utilities	6,872	-	6,872	18,301	-	18,301
Salaries and benefits (note12)	34,751	-	34,751	70,622	-	70,622
Transportation and freight	3,843	-	3,843	5,806	-	5,806
	$ 66,325	**$(34,050)**	**$ 32,275**	**$ 236,806**	**$ (29,250)**	**$ 207,556**

(Expressed in Canadian Dollars)

7. Mineral properties (continued)

(c) Exploration and evaluation expenditures (continued)

During the 3 months and 9 months ended July 31, 2019, the Company's exploration expenditures consist of the following:

	Ontario 3 months ended July 31, 2019	Star 3 months ended July 31, 2019	Total 3 months ended July 31, 2019	Ontario 9 months ended July 31, 2019	Star 9 months ended July 31, 2019	Total 9 months ended July 31, 2019
Assay and analysis	$ -	$ -	$ -	$ 37,872	$ -	$ 37,872
Claim staking	376	-	376	18,335	-	18,335
Drilling	-	-	-	218,387	-	218,387
Field costs	4,194	600	4,794	43,591	1,800	45,391
Geological (note 12)	37,500	-	37,500	107,090	-	107,090
Property rentals and utilities	6,895	-	6,895	20,934	-	20,934
Salaries and benefits (note 12)	13,543	-	13,543	84,046	-	84,046
Transportation and freight	-	-	-	6,082	-	6,082
Travel and accommodations	-	-	-	8,324	-	8,324
	$ 62,508	$ 600	$ 63,108	$ 544,661	$ 1,800	$ 546,461

8. Loan payable

The Company received $40,000 for the CEBA (Canada Emergency Business Account) interest free loan up to the initial term date of December 31, 2022. 25% of the loan balance will be forgiven if the balance of 75% of the loan balance is repaid by the initial term date of December 31, 2022. Subsequent to December 31, 2022, if 75% the loan has not been repaid, then the loan is subject to an interest rate of 5% per annum and due for repayment by December 31, 2025. The loan payable has been initially recorded at fair value and is calculated based on the application of a fair value interest rate of 5% with the anticipated repayment date of December 31, 2022. The difference between the face value and the initial fair value of the loan payable has been recorded as a deferred gain on loan payable. Accretion expense of $423 has been include in general and administrative expense.

9. Share capital

(a) Authorized

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

(b) Shares issued for property

During the nine months ended July 31, 2020, the Company issued 15,000 common shares with a total value of $7,500 for the following properties:

Matachewan – 7,500 common shares with a value of $3,750
Wydee – 7,500 common shares with a value of $3,750

Share issue costs of $577 were incurred for filing fees.

(Expressed in Canadian Dollars)

10. 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

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	360,000	$2.20
Granted	240,000	$1.50
Expired	(90,000)	$2.00
At July 31, 2019, October 31, 2019 and July 31, 2020	**510,000**	**$1.90**

As at July 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	$ 2.40	70,000	$ 1.84	0.83	70,000
September 2, 2021	$ 3.45	70,000	$ 2.67	1.09	70,000
January 23, 2022	$ 2.00	50,000	$ 1.85	1.48	50,000
March 5, 2023(*)	$ 1.50	80,000	$ 1.20	2.59	80,000
December 17, 2023(*)	$ 1.50	240,000	$ 1.05	3.38	180,000
		510,000	**$ 1.48**	**2.41**	**450,000**

(*) 15,000 options with expiry date of March 5, 2023 and 12,500 options with expiry date of December 17, 2023 were forfeited on August 22, 2020.

As at July 31, 2019, 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	$ 2.40	70,000	$ 1.84	2.09	70,000
September 2, 2021	$ 3.45	70,000	$ 2.67	2.35	70,000
January 23, 2022	$ 2.00	50,000	$ 1.85	2.74	50,000
March 5, 2023	$ 1.50	80,000	$ 1.20	3.85	40,000
December 17, 2023	$ 1.50	240,000	$ 1.05	4.64	60,000
		510,000	$ 1.78	3.41	290,000

(Expressed in Canadian Dollars)

10. Options and warrants (continued)

Stock options (continued) The total fair value of the incentive options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions and inputs:

	July 31, 2020	July 31, 2019
Risk-free interest rate	**1.70%**	1.89%
Expected volatility	**112%**	107%
Expected life	**4.24 years**	3.41 years
Expected dividend yield	**-**	-
Share price	**$ 0.90**	$ 1.00
Exercise price	**$ 1.50**	$ 1.50
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 9 months ended July 31, 2020 of $44,234 (9 months ended July 31, 2019 - $120,426) was recognized as share-based payments. The balance consists of $40,442 (July 31, 2019 - $118,250) to directors and officers and $3,792 (July 31, 2019 - $2,176) to consultants.

(c) Warrants

On November 29, 2018, the Company issued 250,000 warrants exercisable at $1.50 per warrant with expiry date of 24 months in conjunction with the unit private placement.

On December 17, 2018, the Company issued 145,833 warrants and 13,750 broker warrants with an exercise price of $1.70 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 2,000,000 warrants and 48,000 broker warrants with an exercise price of $0.80 per warrant with expiry date of 24 months from the date of issuance. The fair value if the broker warrants of $17,280 has been included in share issue costs and reserves.

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

	Number Outstanding		Weighted Average Exercise Price
At October 31, 2018	1,804,619	$	3.20
Issued – warrants for private placement	250,000	$	1.50
Issued – warrants for private placement	145,833	$	1.70
Issued – broker warrants	13,750	$	1.70
Expired	(766,350)	$	3.00
At July 31, 2019	1,447,852	$	2.80
Issued – warrants for private placement	2,000,000	$	0.80
Issued – broker warrants	48,000	$	0.80
Expired	(268,517)	$	(3.40)
At October 31, 2019	3,227,335	$	1.40
Expired	(769,752)	$	(2.90)
At July 31, 2020	**2,457,583**	**$**	**0.90**

11. Financial Instruments

The Company's financial instruments consist of cash, amounts receivable (other than GST receivable), deposit, reclamation deposit, accounts payable and accrued liabilities and loan payable. 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 and loan payable 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 July 31, 2020, the Company had accounts payable and accrued liabilities of $172,482 (October 31, 2019 - $223,745) due within one year, and cash of $55,193 (October 31, 2019 - $525,616).

(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 $5,642 (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 July 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 July 31, 2020.

(Expressed in Canadian Dollars)

12. 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 July 31, 2020 and 2019, the Company had the following related party transactions:

(a) Key management compensation for the 3 and 9 months ended July 31, 2020 and 2019 were as follows:

	3 months ended July 31, 2020	3 months ended July 31, 2019	**9 months ended July 31, 2020**	9 months ended July 31, 2019
Short-term benefits	**$ 29,191**	$ 67,366	**$ 91,866**	$ 209,631
Share-based payments	**8,650**	37,914	**40,442**	118,250
	$ 37,841	$ 105,280	**$ 132,308**	$ 327,881

Short-term benefits include $16,324 and $52,999 for the 3 and 9 months ended July 31, 2020 respectively ($17,271 and $44,939 for the 3 and 9 months ended July 31, 2019 respectively) for management fees, $12,692 and $37,692 for both 3 and 9 months ended July 31, 2020 ($12,596 and $52,443 for the 3 and 9 months ended July 31, 2019 respectively) for salaries included in exploration expenditures and $175 and $1,175 for the 3 and 9 month ended July 31, 2020 respectively ($Nil and $Nil for the 3 and 9 months ended July 31, 2019 respectively) for accounting fees included in general and administrative expenses.

(b) At July 31, 2020, accounts payable and accrued liabilities include $131,250 (October 31, 2019 - $131,250) due to a company owned by a director and officer of the Company and $2,180 (October 31, 2019 - $13,085) due to an officer of the Company.

13. Segmented information

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

14. 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 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 July 31, 2020, the Company had cash of $55,193 and working capital deficit of $59,517. The Company will require additional capital to fund its total obligations under the Option Agreements to purchase the Star property and the Ontario Projects (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 July 31, 2020.

15. Subsequent events

(a) Share consolidation

Subsequent to the quarter ended July 31, 2020, the TSX-V approved the share consolidation of 10 pre-consolidation common shares to 1 post-consolidation common share. The consolidation will also apply to the Company's outstanding stock option and warrants. No fractional shares will be issued. In the event that a shareholder would otherwise be entitled to receive a fractional share from the consolidation, the consolidated shares to be received will be rounded up to the next greater whole number of common shares if the fractional entitlement is equal to or greater than 0.5. If the fractional entitlement is less than 0.5, then the consolidated shares to be received will be rounded down to the nearest whole number without any additional compensation.

(b) Mineral properties

(i) Red Lake Project

On August 10, 2020, the Company entered into a definitive agreement with Sabina Gold and Silver Corp. whereby the Company is granted an option to acquire 100% interest in the Golden Sidewalk and Skinner gold properties consisting of 3,000 hectares of mineral claims, leases and patents in the Red Lake mining district of Ontario. The terms of the agreement require the Company to pay cash of $50,000, issue up to 1,500,000 post-consolidation common shares of the Company and incur exploration expenditures of $2,600,000 over 4 years. 50,000 of the post-consolidated common shares have been issued.

(ii) Golden Sidewalk Project

On September 15, 2020, the Company has entered into an arm's length agreement to acquire a 100% interest in 372 mineral claims ("Claims") adjacent to the Golden Sidewalk & Skinner projects. The Company will pay an aggregate of $60,000 and issue 125,000 shares of Prosper Gold to Bounty Gold Corp. The claims are subject to a 2% NSR, 1% of which can be repurchased by the Company upon payment of $1,000,000. The Purchase Agreement is subject to the approval of the TSX Venture Exchange. Any securities issued under the Purchase Agreement will be subject to a hold period of four months and a day.

(c) Private placement

On September 9, 2020, the Company announced a non-brokered private placement financing of up to $5,000,000 through the issuance of units of the Company at a price of $0.55 per unit. Each unit consists of one common share and one transferable share purchase warrant exercisable into one common share at a price of $0.85 for a period of 24 months from the closing date. The Company may pay finder's fee in accordance to the rule of the TSX-V. The financing is subject to the completion of formal documents and the approval of the TSX-V. All securities issued pursuant to this private placement will be subject to a four month and one day hold period in accordance with applicable securities laws.