TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated 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 standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC

May 29, 2020

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Financial Position
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

As at	March 31, 2020	December 31, 2019 (Audited)
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	866,769	923,110
Trade and other receivables	16,322	19,203
Subscription receivable (notes 5 and 11)	90,000	-
Prepayments and deposits	158,519	470,525
	1,131,610	1,412,838
Non-current assets		
Right-of-use asset (note 6)	15,422	30,540
Property and equipment (note 3)	8,937	10,504
Investment in equities	1	1
Exploration and evaluation assets (note 4)	3,289,816	3,224,855
	3,314,176	3,265,900
Total assets	4,445,786	4,678,738
LIABILITIES		
Current liabilities		
Trade and other payables (note 7)	261,407	229,458
Deferred premium on flow-through shares (note 5)	158,236	203,874
Lease liability (note 6)	15,422	30,540
	435,065	463,872
Non-current liability		
Reclamation provision (note 4)	50,000	50,000
Total liabilities	485,065	513,872
SHAREHOLDERS' EQUITY		
Share capital (note 5)	66,694,912	66,077,019
Reserve (note 5)	6,959,860	6,807,217
Deficit	(69,694,051)	(68,719,370)
	3,960,721	4,164,866
Total shareholders' equity and liabilities	4,445,786	4,678,738

Nature and continuance of operations (note 1)
Commitments and contingency (note 6)
Subsequent event (note 11)

Approved on behalf of the board:

"John Anderson"	" Tony Barresi "
John Anderson	Tony Barresi
Director	Director

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

For the three month period ended	March 31, 2020	March 31, 2019
	$	$
Expenses		
Administrative expenses (note 6)	84,477	57,443
Corporate communications	410,809	164,975
Depreciation (notes 3 and 6)	16,685	12,526
Exploration expenditures (note 4)	179,213	148,368
Interest (note 6)	407	4,399
Listing and filing fees	11,386	12,629
Professional fees (note 7)	46,610	79,817
Share-based payments (notes 5 and 7)	152,643	123,799
Wages and salaries (note 7)	118,695	129,444
	(1,020,925)	(733,400)
Other items		
Flow-through share premium reversal (note 5)	45,638	-
Interest and other income	606	310
	46,244	310
Net and comprehensive loss for the year	(974,681)	(733,090)
Loss per share - basic and diluted	**($0.01)**	**($0.01)**
Weighted average number of shares outstanding - basic and diluted	**103,822,566**	**81,507,805**

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, December 31, 2018	81,280,138	61,505,051	5,862,433	(63,491,393)	3,876,091
Share issue costs	-	(102)	-	-	(102)
Warrants exercised (note 5)	1,482,500	145,050	-	-	145,050
Share-based payments	-	-	123,799	-	123,799
Loss for the period	-	-	-	(733,090)	(733,090)
Balance, March 31, 2019	82,762,638	61,649,999	5,986,232	(64,224,483)	3,411,748
Share issuances (note 5)	12,220,311	5,122,914	-	-	5,122,914
Share issue costs (note 5)	-	(247,453)	36,463	-	(210,990)
Flow-through share premium (note 5)	-	(781,415)	-	-	(781,415)
Warrants exercised (note 5)	3,462,304	332,974	-	-	332,974
Share-based payments (note 5)	-	-	784,522	-	784,522
Loss for the year	-	-	-	(4,494,887)	(4,494,887)
Balance, December 31, 2019	98,445,253	66,077,019	6,807,217	(68,719,370)	4,164,866
Warrants exercised (note 5)	6,865,476	617,893	-	-	617,893
Share-based payments (note 5)	-	-	152,643	-	152,643
Loss for the period	-	-	-	(974,681)	(974,681)
Balance, March 31, 2020	105,310,729	66,694,912	6,959,860	(69,694,051)	3,960,721

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

For the three month period ended	**March 31, 2020**	**March 31, 2019**
	$	**$**
Cash flows from operating activities		
Loss for the period	(974,681)	(733,090)
Items not involving cash		
Depreciation	16,685	12,526
Interest	407	4,399
Share-based payments	152,643	123,799
Flow-through share premium reversal	(45,638)	-
	(850,584)	(592,366)
Change in non-cash working capital		
Trade and other receivables	2,881	143,113
Prepayments and deposits	312,006	132,274
Trade and other payables	31,949	84,876
	(503,748)	(232,103)
Cash flows from investing activities		
Acquisition of exploration and evaluation assets	(64,961)	(40,000)
	(64,961)	(40,000)
Cash flows from financing activities		
Payment of lease liabilitity	(15,525)	(15,525)
Share issuance costs	-	(102)
Exercise of warrants	527,893	145,050
	512,368	129,423
Decrease in cash and cash equivalents	(56,341)	(142,680)
Cash and cash equivalents, beginning of the year	923,110	225,782
Cash and cash equivalents, end of the year	866,769	83,102
Cash and cash equivalents consist of:		
Cash	194,254	63,552
Term deposit	672,515	19,550
	866,769	83,102
Cash paid for:		
Income taxes	-	-
Interest	-	-
	-	-

During the three month period ended March 31, 2020, the Company recorded $90,000 in subscription receivable for the exercise of warrants (note 5).

There were no non-cash transactions during the three month period ended March 31, 2019.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Triumph Gold Corp. was incorporated under the Alberta Business Corporations Act on January 13, 2006 and was extra- provincially registered in British Columbia and the Yukon Territory. The Company is listed on the TSX Venture Exchange ("TSXV"), having the symbol "TIG". The Company's principal business activity is the exploration for mineral resources, primarily in the Yukon Territory, Canada.

The Company's corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada.

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. During the three month period ended March 31, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. As a result, there always exists uncertainty that causes significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

The financial statements were authorized for issue on May 29, 2020 by the directors of the Company.

2. BASIS OF PREPARATION (continued)

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bushmaster Exploration Services (2007) Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation. The financial statements of the subsidiary are prepared using consistent accounting policies and reporting dates of the Company. The functional currency for the Company and its subsidiary is the Canadian dollar.

New accounting standards adopted

The Company adopted IFRS 16, Leases, on January 1, 2019. On initial adoption, the Company elected to record right-of-use assets based on the corresponding lease obligation. A right-of-use asset and lease obligation of $88,087 were recorded as of January 1, 2019, with no impact on deficit. When measuring the present value of lease, obligations, the Company discounted remaining lease payments using its incremental borrowing rate at January 1, 2019, which was a rate of 8%.

At inception of a contract, the Company assesses whether a contract is, or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date. The assets are depreciated over the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of future economic benefits.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease obligation. The lease obligation is subsequently measured at amortized cost using the effective interest rate method.

New accounting standards issued but not yet effective

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

3. PROPERTY AND EQUIPMENT

	Automotive	Computer Equipment	Equipment	Total
	$	$	$	$
Cost				
Balance, December 31, 2018	107,242	20,336	68,047	195,625
Additions	-	5,108	-	5,108
Balance, December 31, 2019 and March 31, 2020	107,242	25,444	68,047	200,733
Accumulated depreciation				
Balance, December 31, 2018	105,941	15,227	61,547	182,715
Depreciation	390	5,824	1,300	7,514
Balance, December 31, 2019	106,331	21,051	62,847	190,229
Depreciation	68	1,239	260	1,567
Balance, March 31, 2020	106,399	22,290	63,107	191,796
Net book value				
As at December 31, 2019	911	4,393	5,200	10,504
As at March 31, 2020	843	3,154	4,940	8,937

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Canada			
	Freegold Mountain	**Other**	**Andalusite Peak**	**Total**
	$	**$**	**$**	**$**
Exploration and Evaluation Assets				
Balance, December 31, 2018	3,184,688	1	5,542	3,190,231
Additions	40,166	-	4,878	45,044
Option payments - Received	-	-	(25,000)	(25,000)
Option payments - Excess over carrying value	-	-	14,580	14,580
Balance, December 31, 2019	3,224,854	1	-	3,224,855
Additions	61,911	3,050	-	64,961
Balance, March 31, 2020	3,286,765	3,051	-	3,289,816
Current Exploration Expenditures				
Year ended December 31, 2019				
Administrative	2,577	-	25	2,602
Assaying	157,394	11,512	-	168,906
Camp costs	267,839	7,350	-	275,189
Drilling	834,959	-	-	834,959
Environmental	2,454	-	-	2,454
Equipment and supplies	179,184	1,045	-	180,229
Geological costs (note 7)	287,460	7,350	-	294,810
Geophysical costs	8,000	-	-	8,000
Helicopter	-	23,212	-	23,212
Resource work	53,650	-	-	53,650
Transportation and storage	49,483	-	-	49,483
Travel and accomodation	41,047	-	-	41,047
Wages and labour costs	580,940	6,825	-	587,765
Total	2,464,987	57,294	25	2,522,306
Period ended March 31, 2020				
Geological costs	71,828	-	-	71,828
Resource work	64,577	-	-	64,577
Transportation and storage	5,115	-	-	5,115
Wages and labour costs	37,693	-	-	37,693
Total	179,213	-	-	179,213

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Canada			
	Freegold Mountain	Other	Andalusite Peak	Total
	$	$	$	$
Cumulative Exploration Expenditures				
Administrative	680,737	-	550	681,287
Assaying	807,231	12,172	2,132	821,535
Camp costs	3,635,087	10,800	86	3,645,973
Community relations	8,750	-	-	8,750
Drilling costs	17,253,775	-	-	17,253,775
Environmental	33,800	-	-	33,800
Equipment and supplies	832,504	2,275	2,000	836,779
Exploration grant	(325,455)	-	-	(325,455)
Geological costs	5,550,963	46,577	200	5,597,740
Geophysical costs	1,441,742	-	-	1,441,742
Helicopter	7,942	30,841	4,465	43,248
Reclamation provision	50,000	-	-	50,000
Resource work	243,501	-	-	243,501
Transportation and storage	1,419,717	22,632	2,423	1,444,772
Travel and accomodation	784,453	100	6,369	790,922
Wages and labour costs	11,702,041	27,238	14,937	11,744,216
Total	44,126,788	152,635	33,162	44,312,585

Exploration and evaluation assets and related expenditures comprise:

Freegold Mountain, Canada

The Freegold Mountain project is comprised of the following exploration properties:

(i) Tinta Hill Property, Yukon

The Company holds a 100% interest in the Tinta Hill Property subject to an annual advanced royalty payment of $20,000 and a 3% Net Smelter Return (“NSR”). The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2020, the total advanced royalty payment made was $80,000 (December 31, 2019 – $60,000). During the three month period ended March 31, 2020, the Company paid $7,304 (December 31, 2019 - $Nil) in filing fees for the Tinta Hill Property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Freegold Mountain, Canada (continued)

(ii) Freegold Property, Yukon

The Company holds a 100% interest in the Freegold Property subject to an annual advanced royalty payment of $10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2020, the total advanced royalty payment made was $40,000 (December 31, 2019 – $30,000). During the three month period ended March 31, 2020, the Company paid $7,304 (December 31, 2019 - $Nil) in filing fees for the Freegold Property.

(iii) Goldstar Property, Yukon

The Company holds a 100% interest in the Goldstar Property subject to an advance payment of $10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after the commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of $500,000 for the first 1% and $1,000,000 for the second 1%.

As at March 31, 2020, the total advanced royalty payment made was $40,000 (December 31, 2019 – $30,000). During the three month period ended March 31, 2020, the Company paid $7,303 (December 31, 2019 - $Nil) in filing fees for the Goldstar Property.

(iv) Golden Revenue Property, Yukon

The Company holds a 100% interest in the Golden Revenue Property subject to a 1% NSR in favour of ATAC Resources Ltd. on that portion of the property which is not subject to an underlying royalty. There is a 2% underlying NSR on a portion of the property. A total of 75% of the underlying NSR (1.5% NSR) may be purchased at any time for $600,000. On June 13, 2018, the Company acquired the underlying NSR for a purchase price of $100,000, thereby conveying the exclusive right to be paid all future rights associated from the NSR to the Company.

Other, Canada

(i) Tad/Toro Property, Yukon

The Company holds a 100% interest in the Tad/Toro Property subject to a 3% NSR, of which the first 1% may be purchased for $500,000 and a second 1% for $1,000,000. During the three month period ended March 31, 2020, the Company paid $3,050 (December 31, 2019 - $Nil) in filing fees for the Tad/Toro Property.

The Company wrote-down the value of the Tad/Toro Property to $1 in previous years.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Andalusite Peak, British Columbia, Canada

The Company staked the Andalusite Peak Property and held a 100% interest. On August 8, 2019, the Company and Rio Tinto Exploration Canada Inc. ("RTEC") entered into an option agreement whereby RTEC has the option to obtain a 100% interest in the Andalusite Peak property. Under the terms of the option agreement, 100% ownership of the claims were transferred to RTEC and RTEC agreed to pay $3,000,000 over a five-year option period and reserve for the Company a 1% net smelter returns royalty, which is capped at $50 million. 100% interest in the Andalusite Peak property will be returned to the Company if RTEC opts out of the staged payments totaling $3,000,000 over the five year option period. The sum of $25,000 was paid to the Company (of which $10,420 has been credited against to exploration and evaluation assets and the excess of $14,580 over the carry amount has been recognized in other income) within 45 days of the option agreement date and a further $50,000 is payable on or before the first anniversary date of the option agreement.

5. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value

Unlimited preferred shares, the series rights and restrictions to be determined by the Board of Directors on issuance

Issued:

For the period ended March 31, 2020

During the three month period ended March 31, 2020, 6,865,476 warrants were exercised for proceeds of $617,893, of which $90,000 has been recorded as a subscription receivable at March 31, 2020 and was subsequently received.

For the year ended December 31, 2019

(i) On May 14, 2019, the Company completed a private placement financing of 2,887,500 non-flow through units at a price of $0.35 per unit for gross proceeds of $1,010,625. Each unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until May 14, 2021. Share issuance costs and finders' fees of $80,140 were paid in connection with the private placement. The Company also issued 59,185 finder's warrants which were recorded at a fair value of $5,550. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.58%, share price on grant date of $0.35 and an expected volatility of 76.29%. The finder's warrants are exercisable at a price of $0.60 until May 14, 2021.

(ii) On June 12, 2019, the Company completed a private placement financing of 878,766 non-flow through units at a price of $0.35 per unit for gross proceeds of $307,568 and 3,357,144 flow-through units at a price of $0.49 per unit for gross proceeds of $1,645,001. Each non-flow-through and flow-through unit i comprised of one non-flow through and one flow-through common share, respectively, of the Company and one-half share purchase warrant of the Company

5. SHARE CAPITAL (continued)

Issued: (continued)

For the period ended December 31, 2019 (continued)

(ii) (continued)

Each full warrant is exercisable into an additional common share at a price of $0.60 per share until June 12, 2021.

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $447,020 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $1,197,981. To December 31, 2019, the Company expended $1,645,000 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to $Nil. Share issuance costs and finders' fees of $22,580 were paid in connection with the private placement. The Company also issued 41,493 finder's warrants which were recorded at a fair value of $5,792. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.44%, share price on grant date of $0.41 and an expected volatility of 81.94%. The finder's warrants are exercisable at a price of $0.60 until June 12, 2021.

(iii) On July 11, 2019, the Company completed a private placement financing of 2,269,743 non-flow-through units at a $0.35 per unit for gross proceeds of $794,410. Each non-flow-through unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 11, 2021. Share issuance costs and finders' fees of $75,711 were paid in connection with the private placement. The Company also issued 130,582 finder's warrants which were recorded at a fair value of $23,516. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.52%, share price on grant date of $0.51 and an expected volatility of 72.71%. The finder's warrants are exercisable at a price of $0.60 until July 11, 2021.

(iv) On July 18, 2019, the Company completed a private placement financing of 142,842 non-flow through units at a price of $0.35 per unit for gross proceeds of $49,995 and 1,284,316 flow-through units at a price of $0.49 per unit for gross proceeds of $629,315. Each non-flow-through and flow-through unit is comprised of one non-flow through and one flow-through common share, respectively, of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 18, 2021.

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $160,756 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $468,559. To December 31, 2019, the Company expended $439,501 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to $30,235. The Company expended the remaining eligible exploration expenditures during the period ended March 31, 2020 and, accordingly, the flow-through liability was reduced to $Nil. Share issuance costs and finders' fees of $18,593 were paid in connection with the private placement. The Company also issued 9,999 finder's warrants which were recorded at a fair value of $1,605. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Issued: (continued)

For the period ended December 31, 2019 (continued)

(iv) (continued)

1.43%, share price on grant date of $0.48 and an expected volatility of 72.64%. The finder's warrants are exercisable at a price of $0.60 until July 18, 2021.

(v) On July 24, 2019, the Company completed a private placement financing of 1,400,000 flow-through units at a $0.49 per unit for gross proceeds of $686,000. Each flow-through unit is comprised of one flow-through common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 24, 2021. Share issuance costs of $14,068 were paid in connection with the private placement.

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $173,639 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $512,361. To December 31, 2019, the Company had not expended any eligible exploration expenditures. To March 31, 2020 , the Company has expended $60,851 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to $158,236.

(vi) During the year ended December 31, 2019, 4,944,804 warrants were exercised for proceeds of $478,024.

Stock options:

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

A summary of outstanding stock options at March 31, 2020 is as follows:

Number of stock options outstanding	Exercise price	Expiry date	Number of stock options exercisable
	$		
670,000	0.50	July 26, 2022	670,000
4,340,000	0.40	July 30, 2022	4,340,000
325,000	0.40	December 20, 2022	325,000
1,750,000	0.40	July 20, 2023	1,750,000
1,950,000	0.55	July 26, 2024	975,000
9,035,000			8,060,000

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Stock options (continued):

Stock option transactions are summarized as follows:

	Number of stock options	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2018	7,765,000	0.40	3.84
Cancelled	(1,350,000)	(0.40)	
Granted	2,620,000	0.54	
December 31, 2019	9,035,000	0.44	3.21
March 31, 2020	9,035,000	0.44	2.96

On July 26, 2019, the Company granted a total of 670,000 stock options to consultants and employees. The stock options are exercisable at $0.50 per share until July 26, 2022 and vest fully on January 19, 2020. The total fair value of $170,505 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.52%, share price on grant date of $0.51 and an expected volatility of 74.66%. The vesting of these options resulted in a total share-based compensation expense of $28,418 (December 31, 2019 - $142,087), which was recorded during the period.

On July 26, 2019, the Company granted a total of 1,950,000 stock options to directors, officers, consultants and employees. These options vest as to 487,500 immediately, 487,500 on January 26, 2020, 487,500 on July 26, 2020 and 487,500 on January 26, 2021. The total fair value of $784,888 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.46%, share price on grant date of $0.51 and an expected volatility of 112.00%. The vesting of these options resulted in a total share-based compensation expense of $114,463 (December 31, 2019 - $496,006), which was recorded during the period.

The Company recorded a further $9,762 (December 31, 2019 - $21,296) in share-based compensation relating to previously granted stock options which vested during the period.

Expected volatility is determined by reference to the Company’s historical stock prices.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Warrants:

A summary of outstanding warrants at March 31, 2020 is as follows:

Number of warrants outstanding	Exercise price	Expiry date	Remaining life (years)
	$		
7,320,550	0.55	July 11, 2020	0.28
4,660,000	0.35	November 9, 2020	0.61
800,000	0.35	November 21, 2020	0.64
1,502,935	0.60	May 14, 2021	1.12
2,159,448	0.60	June 12, 2021	1.20
1,265,453	0.60	July 11, 2021	1.28
723,578	0.60	July 18, 2021	1.30
700,000	0.60	July 24, 2021	1.32
19,131,964			

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2018	24,590,831	0.29	1.30
Granted	6,351,414	0.60	
Exercised	(4,944,804)	(0.10)	
Expired	(1)	(0.10)	
December 31, 2019	25,997,440	0.40	0.71
Exercised	(6,865,476)	(0.09)	
March 31, 2020	19,131,964	0.51	0.69

Reserve:

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants is recorded in the reserve. If the warrants expire unexercised, the value attributed to the warrants is transferred to deficit.

6. COMMITMENTS AND CONTINGENCY

a) As of March 31, 2020, the Company has $19,628 (December 31, 2019 – $19,628) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

(Expressed in Canadian dollars)

6. COMMITMENTS AND CONTINGENCY (continued)

b) The Company has included in officers' employment agreements a change in control clause that entitles them to a lump sum severance payment equal to 1.5 to 2.0 times their annual base salaries. This would amount to up to $630,000 based on salaries in effect as at March 31, 2020 and December 31, 2019.

c) Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.

d) Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income.

During the year ended December 31, 2019, the Company received $2,960,316 from the issuance of flow-through shares. To March 31, 2020, the Company expended $2,263,715 (December 31, 2019 - $2,084,502) in eligible expenditures. As at March 31, 2020, the Company is committed to expend a further $625,148 (December 31, 2019 - $875,814) of the proceeds raised from the issuance of flow-through shares during the current year on future qualifying exploration expenditures. Such expenditures, as incurred and once renounced, are not available to the Company for future deduction from taxable income.

e) On July 10, 2018, the Company entered into a sublease agreement that provides for a base rent of $5,175 per month, commencing September 1, 2018 to August 31, 2020. At March 31, 2020 and December 31, 2019, a security deposit consisting of the last two months of rent, totaling $10,350, has been recorded in prepaids and deposits.

The Company initially recognized a lease liability obligation related to its lease commitment for its office lease of $88,087. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8% as at January 1, 2019. The associated right-of-use asset was measured at the lease obligation amount, less prepaid lease payment, resulting in no adjustment to the opening balance of deficit. The right-of-use asset will be depreciated and the Company will record a related interest expense over the term of the lease liability obligation. During the three month period ended March 31, 2020, the Company paid lease obligations of $15,525, which have been recorded in administrative expenses, and recorded $15,118 in depreciation of the right-of-use asset and $407 in interest expense.

The Company will depreciate the right-of-use asset and record interest over the remaining lease commitment period as follows:

	Depreciation $	Interest $
2020	15,422	$ 103

7. RELATED PARTY TRANSACTIONS

The Company had the following transactions involving key management during the three months period ended March 31, 2020:

(i) An officer of the Company provides accounting services to the Company. Professional fees incurred during the period were $12,000 (2019 - $12,000). As at March 31, 2020, this officer was owed $4,200 (2019 - $8,400).
(ii) Westview Consulting Ltd., a company controlled by the former President and CEO of the Company, provided management and geological services during the period. Consulting fees incurred during the period were $nil (2019 – $15,000) was recorded in exploration expenditures. At March 31, 2020, this company was owed $Nil (2019 – $15,750).
(iii) Wages and salaries of $90,000 (2019 – $96,000) were paid to directors and officers of the Company.
(iv) Wiklow Corporate Services, Inc. a company controlled by an officer of the Company provided consulting services to the Company. Professional fees incurred during the period were $10,500 (2019 - $nil).
(v) Directors of the Company were paid consulting fees of $25,000 (2019 – $25,000) and were recorded in wages and salaries. At March 31, 2020, the directors were owed $150,000 (2019 - $75,000).
(vi) Recorded $103,898 (2019 - $61,106) in share-based payments, for stock options granted and vested, to officers and directors of the Company.
(vii) Halle Geological Services Ltd., a company controlled by the VP of Exploration of the Company provided geological services. Geological fees incurred during the period were $46,783 (2019 - $nil). At March 31, 2020, this company was owed $14,933 (2019 - $nil).

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

8. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration of mineral properties. All of the Company's assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company includes cash and cash equivalents and equity, comprising issued common shares, reserve and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new

9. CAPITAL MANAGEMENT (continued)

properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2020. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper. Other receivables are comprised primarily of tax receivables generated on the purchase of supplies and services for the Company's exploration programs, which are refundable from the Canadian government. The Company's maximum exposure to credit risk is the carrying amount of financial assets on the consolidated statements of financial position.

Liquidity Risk – The Company's cash and cash equivalents are invested in business accounts with high-credit quality financial institutions which are available on demand for the Company's programs. Future operations or exploration programs will require additional financing primarily through equity markets.

Market Risk – Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on cash and cash equivalents and term deposits. Every 1% fluctuation in interest rates up or down would have an insignificant impact on profit or loss.

Foreign currency risk - The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk and has no financial instruments held in United States funds. Therefore, foreign currency risk is minimized.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand. The Company is not exposed to significant price risk.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (continued)

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables, investment in equities, trade and other payables and lease liability.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 31, 2020				
Assets:				
Cash and cash equivalents	866,769	-	-	866,769
Investment in equities	1	-	-	1
December 31, 2019				
Assets:				
Cash and cash equivalents	923,110	-	-	923,110
Investment in equities	1	-	-	1

11. SUBSEQUENT EVENT

Subsequent to the three months ended March 31, 2020, the Company received the subscription receivable in the sum of $90,000.