

HIGHWAY 50 GOLD CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Highway 50 Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	March 31, 2020	December 31, 2019
ASSETS		
Current		
Cash	\$ 116,317	\$ 159,388
Receivables	5,657	11,870
Prepaid expenses	11,621	1,890
	133,595	173,148
Equipment	13,834	14,675
Reclamation bonds (Note 4)	98,893	91,209
Exploration and evaluation assets (Note 4)	3,427,241	3,426,326
	\$ 3,673,563	\$ 3,705,358
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 3,661	\$ 15,628
Due to related parties (Note 6)	818,750	740,000
	822,411	755,628
Shareholders' equity		
Capital stock (Note 5)	8,346,372	8,346,372
Share compensation reserve (Note 5)	1,489,016	1,489,016
Deficit	(6,984,236)	(6,885,658)
	2,851,152	2,949,730
	\$ 3,673,563	\$ 3,705,358

Nature and continuance of operations (Note 1)

Basis of preparation (Note 2)

On behalf of the Board:

“Gordon P. Leask”

Director

“Megan Cameron-Jones”

Director

Highway 50 Gold Corp.
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2020	Three months ended March 31, 2019
EXPENSES		
Accounting and audit (Note 6)	\$ 9,800	\$ 10,725
Amortization	841	975
Bank charges and interest	304	331
Consulting fees (Note 6)	75,000	60,000
Investor relations and shareholder information	245	180
Legal	534	63
Office and administration	8,385	9,710
Rent	4,398	8,696
Transfer agent and listing fees	6,505	6,708
	(106,012)	(97,388)
Settlement of flow-through premium liability	-	352
Gain (loss) on foreign exchange	7,434	(2,580)
Loss and comprehensive loss for the period	\$ (98,578)	\$ (99,616)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding, basic and diluted	36,947,483	34,980,819

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

Highway 50 Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended March 31, 2020	Three months ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (98,578)	\$ (99,616)
Items not affecting cash:		
Amortization	841	975
Settlement of flow-through premium liability	-	(352)
Foreign exchange	(7,684)	1,983
Change in non-cash working capital items:		
Receivables	6,213	(4,515)
Prepaid expenses	(9,731)	(13,428)
Accounts payable and accrued liabilities	(8,696)	(10,761)
Due to related parties	78,750	58,150
Net cash used in operating activities	<u>(38,885)</u>	<u>(67,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation bonds	-	24,789
Exploration and evaluation assets	(4,186)	(21,646)
Net cash provided by (used in) investing activities	<u>(4,186)</u>	<u>3,143</u>
Change in cash	(43,071)	(64,421)
Cash, beginning	<u>159,388</u>	<u>326,400</u>
Cash, end	<u>\$ 116,317</u>	<u>\$ 261,979</u>

Supplemental disclosure with respect to cash flows:

During the periods ended March 31, 2020 and 2019, there were no supplemental disclosures with respect to cash flows.

For the three months ended March 31	2020	2019
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

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

Highway 50 Gold Corp.
Interim Condensed Consolidated Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share Compensation Reserve	Deficit	Total
Balance, December 31, 2018	34,980,819	\$ 8,093,677	\$ 1,459,516	\$ (6,392,889)	\$ 3,160,304
Loss for the period	-	-	-	(99,616)	(99,616)
Balance, March 31, 2019	34,980,819	8,093,677	1,459,516	(6,492,505)	3,060,688
Balance, December 31, 2019	36,947,483	\$ 8,346,372	\$ 1,489,016	\$ (6,885,658)	\$ 2,949,730
Loss for the period	-	-	-	(98,578)	(98,578)
Balance, March 31, 2020	36,947,483	\$ 8,346,372	\$ 1,489,016	\$ (6,984,236)	\$ 2,851,152

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

Highway 50 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by the Management)
(Expressed in Canadian Dollars)
For the three months ended March 31, 2020

1. NATURE AND CONTINUANCE OF OPERATIONS

Highway 50 Gold Corp. (the “Company”) is a Canadian company incorporated in British Columbia. The Company’s activities have focused on exploration and evaluation assets located in British Columbia and Nevada, USA. The Company’s registered and records office is at Suite 910, 800 West Pender Street, Vancouver, BC, V6C 2V6. The Company’s head office is at Suite 2300, 1177 West Hastings Street, Vancouver, BC, V6E 2K3. The common shares of the Company are listed on the TSX Venture Exchange (the “Exchange”) and trade under the symbol “HWY”.

At the date of these condensed consolidated interim financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at March 31, 2020, the Company had working capital deficiency of \$688,816 and an accumulated deficit of \$6,984,236. These items may cast a significant doubt on the Company’s ability to continue as a going concern. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

During the period ended March 31, 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Given the uncertainty, management exercised significant judgment in determining the impact of COVID-19 on the Company’s condensed interim consolidated financial statements, including with respect to financial risks, including liquidity, and the assessment of going concern and the carrying values of the Company’s properties, equipment assets and exploration and evaluation assets. The Company has assessed whether there are any impairment indicators for the Company’s equipment assets and exploration and evaluation assets and did not note any indicators as of March 31, 2020. Based on management’s judgment, as at the date of these condensed interim consolidated financial statements, there has been no impact from COVID-19 on the Company’s estimates and assumptions that has resulted in the need to recognize impairment. The Company will continue to assess the impact of COVID-19 on commodity, credit, and equity markets, which may impact management’s judgements in the future.

These condensed consolidated interim financial statements were authorized by the board of directors of the Company on May 29, 2020.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The significant accounting policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and outstanding as of March 31, 2020.

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. BASIS OF PREPARATION (cont'd...)

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company (Note 6). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the entity that are denominated in foreign currencies are translated at the rate of exchange at the condensed consolidated interim statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the condensed consolidated interim statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2019.

Highway 50 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by the Management)
(Expressed in Canadian Dollars)
For the three months ended March 31, 2020

4. EXPLORATION AND EVALUATION ASSETS

	Porter Canyon, Nevada, USA	Golden Brew, Nevada, USA	Monroe, BC, Canada	Other, Nevada, USA	Total
Balance, December 31, 2018	\$ -	\$ 1,042,726	\$ 1,900,275	\$ 204,398	\$ 3,147,399
Additions:					
Assays	-	-	527	-	527
Drilling	-	-	219,727	-	219,727
Field operations	536	4,427	16,375	-	21,338
Geology	1,585	-	11,250	-	12,835
Property payments	16,741	7,891	-	27,127	51,759
Total expenditures	18,862	12,318	247,879	27,127	306,186
Mining tax credits and cost recoveries	-	-	(8,397)	-	(8,397)
Write-down of exploration and evaluation assets	(18,862)	-	-	-	(18,862)
Balance, December 31, 2019	-	1,055,044	2,139,757	231,525	3,426,326
Additions:					
Field operations	-	915	-	-	915
Balance, March 31, 2020	\$ -	\$ 1,055,959	\$ 2,139,757	\$ 231,525	\$ 3,427,241

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in the United States and Canada.

The Company is required to post bonds with the Bureau of Land Management (“BLM”) as security towards future site restoration work and will be released to the Company upon satisfactory completion of that work. The bonds posted relate to the Golden Brew, Porter Canyon, and other Nevada properties.

Golden Brew Property, Battle Mountain Mining District, Nevada

The Company holds a 100% interest in the Golden Brew claims subject to a royalty payable on production equal to 0.5% of net smelter returns on 27 claims and on 28 partial claims payable to Genesis Gold Corporation.

Porter Canyon Property, Lander County, Nevada

During the year ended December 31, 2011, the Company acquired the Porter Canyon claims by staking. During the year ended December 31, 2018, there has been sufficient evidence of impairment of the Porter Canyon Property, and the value has been written down to \$Nil as at December 31, 2018.

Other, Nevada

The property consists of claims acquired by staking in Nevada. The Company has no material commitments on this property group aside from annual claim payments.

Monroe Property, Fort Steele Mining Division, British Columbia

During the year ended December 31, 2016, the Company executed an option agreement to earn an undivided 50% interest in the Monroe property (the “Property”) located in the Fort Steele Mining Division, southeast British Columbia. In order to exercise the option (the “Option”), the Company has made a firm commitment to spend an initial \$100,000 in exploration expenditures on the Property in the first year (commitment met as at December 31, 2016), followed by additional annual optional exploration expenditures totalling \$2.9 million by May 2021. The Company will be the operator on the Property during the course of the Option. The owners of the Monroe property are an officer and directors of the Company.

Highway 50 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
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For the three months ended March 31, 2020

5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE

Authorized

Unlimited number of common shares without par value. All issued shares are fully paid.

There were no share transactions during the period ended March 31, 2020.

During the year ended December 31, 2019, the Company:

- a) Closed a non-brokered private placement of 1,599,998 units at a price of \$0.15 per unit for gross proceeds of \$240,000. Each unit consists of one flow-through common share and one-half of one non-flow-through common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one non-flow-through common share at a purchase price of \$0.20 per share until September 9, 2021. The premium received on the flow-through shares issued was determined to \$Nil. The residual value of warrants from this private placement was determined to be \$24,000.
- b) Closed a non-brokered private placement of 366,666 units at a price of \$0.15 per unit for gross proceeds of \$55,000. Each unit consists of one non-flow-through common share and one non-flow-through common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one non-flow-through common share at a purchase price of \$0.20 per share until September 9, 2021. The residual value of warrants from this private placement was determined to be \$5,500.
- c) Incurred share issuance costs of \$12,805 in relation to the private placements.

Stock options

Under the Company's rolling stock option plan dated June 2, 2005, the Company may grant options, with a maximum term of five years, for up to 10% of the Company's issued and outstanding common shares, to directors, employees and consultants at exercise prices to be determined by the market value on the date of grant. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted with the exception of options granted in relation to investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018	3,200,000	\$ 0.34
Expired	(575,000)	0.43
Balance, December 31, 2019	2,625,000	0.32
Expired	(1,175,000)	0.40
Balance, March 31, 2020	1,450,000	\$ 0.25

At March 31, 2020, the following incentive stock options were outstanding to directors, officers and employees:

Number of Options Outstanding	Exercise Price (\$)	Expiry Date	Number of Options Exercisable
350,000	0.25	May 6, 2021	350,000
1,100,000	0.25	May 17, 2023	1,100,000
1,450,000			1,450,000

The weighted average remaining life of the stock options is 2.64 years.

Highway 50 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by the Management)
(Expressed in Canadian Dollars)
For the three months ended March 31, 2020

5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE (cont'd...)

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2018	4,532,455	\$ 0.37
Warrants granted	1,166,663	0.20
Balance, December 31, 2019 and March 31, 2020	5,699,118	\$ 0.34

At March 31, 2020, the following share purchase warrants were issued and outstanding:

Number of Warrants Outstanding	Exercise Price	Expiry Date
600,000	\$ 0.30	May 4, 2020*
1,750,000	0.25	May 4, 2020*
1,000,000	0.60	May 10, 2020*
1,182,455	0.40	September 21, 2020
1,166,663	0.20	September 9, 2021
5,699,118		

*Expired subsequent to March 31, 2020 unexercised.

The weighted average remaining life of the warrants is 0.45 years.

6. RELATED PARTY TRANSACTIONS

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Highway 50 Gold (US) Inc.	Nevada, USA	100%	Mineral exploration

All transactions with related parties are in the normal course of operations and are measured at their fair value as determined by management.

During the three months ended March 31, 2020, the Company entered into the following transactions with related parties:

- a) Eagle Putt Ventures Inc. (“Eagle Putt”) is a private company controlled by Mr. Gordon P. Leask, a director and officer of the Company. For the three months ended March 31, 2020, Eagle Putt charged \$30,000 (2019 - \$30,000) which are classified as consulting fees in the condensed consolidated interim statements of loss and comprehensive loss. At March 31, 2020, the Company owed \$341,500 (December 31, 2019 - \$310,000) to Eagle Putt.
- b) Rangefront Exploration Corp. (“Rangefront”) is a private company controlled by Mr. John M. Leask, a director to the Company. For the three months ended March 31, 2020, Rangefront charged \$30,000 (2019 - \$30,000) which are classified as consulting fees in the condensed consolidated interim statements of loss and comprehensive loss. At March 31, 2020, the Company owed \$341,500 (December 31, 2019 - \$310,000) to Rangefront.

Highway 50 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by the Management)
(Expressed in Canadian Dollars)
For the three months ended March 31, 2020

6. RELATED PARTY TRANSACTIONS (cont'd...)

- c) Megan Cameron-Jones is a director and officer of the Company. For the three months ended March 31, 2020, Megan Cameron-Jones charged \$15,000 (2019 – \$nil) for management services which are classified as consulting fees in the condensed consolidated interim statements of loss and comprehensive loss. At March 31, 2020, the Company owed \$135,750 (December 31, 2019 - \$120,000) to Megan Cameron-Jones.
- d) Cross Davis & Co. LLP (“Cross Davis”) is an accounting firm of which Scott Davis, an officer of the Company, is a partner. For the three months ended March 31, 2020, Cross Davis charged \$9,000 (2019 - \$9,000) which are classified as accounting fees in the condensed consolidated interim statements of loss and comprehensive loss. At March 31, 2020, the Company owed \$Nil (December 31, 2019 - \$Nil) to Cross Davis.

Amounts payable to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

7. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and development of exploration and evaluation assets in North America. Geographical information is as follows:

	Total Assets	Equipment	Exploration and Evaluation Assets	Reclamation Bonds	Other Assets
March 31, 2020					
Canada	\$ 2,283,213	\$ 9,861	\$ 2,139,757	\$ -	\$ 133,595
United States	1,390,350	3,973	1,287,484	98,893	-
	\$ 3,673,563	\$ 13,834	\$ 3,427,241	\$ 98,893	\$ 133,595
December 31, 2019					
Canada	\$ 2,323,284	\$ 10,379	\$ 2,139,757	\$ -	\$ 173,148
United States	1,382,074	4,296	1,286,569	91,209	-
	\$ 3,705,358	\$ 14,675	\$ 3,426,326	\$ 91,209	\$ 173,148

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company’s receivables, accounts payable and accrued liabilities, and due to related parties approximate carrying value, which are the amounts on the condensed consolidated interim statements of financial position. The Company’s other financial instrument, cash, under the fair value hierarchy, is based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company’s cash is held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset backed commercial paper.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

The Company's receivables consist of tax credits due from the government of Canada. As such, the Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper. As at March 31, 2020, the Company had a cash balance of \$116,317 to settle current liabilities of \$822,411. As COVID-19 has continued to spread, it has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. This has impacted the Company's ability to raise necessary funds. It is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

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 and equity prices.

a) Interest rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, reclamation bond, and accounts payable that are denominated in United States dollars ("US\$"). A 10% fluctuation in the US\$ against the Canadian dollar would not have a significant affect on net comprehensive loss.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.