



MARGAUX RESOURCES LTD.

INTERIM CONDENSED FINANCIAL STATEMENTS

**AS AT AND FOR THE
THREE AND NINE-MONTHS PERIODS ENDED JUNE 30, 2020 AND 2019**

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the interim condensed financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of Margaux Resources Ltd. as of June 30, 2020, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim condensed financial statements by an entity's auditors.

MARGAUX RESOURCES LTD.
Interim Condensed Statements of Financial Position

As at	June 30, 2020	September 30, 2019
	\$	\$
ASSETS		
CURRENT		
Cash	1,653,661	134,130
GST receivable	19,797	29,243
Prepays	23,930	39,100
TOTAL CURRENT ASSETS	1,697,388	202,473
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	106,123	129,067
EXPLORATION AND EVALUATION ASSETS (Note 5)	5,736,923	2,811,892
DEPOSITS	24,600	50,300
TOTAL NON-CURRENT ASSETS	5,867,646	2,991,259
TOTAL ASSETS	7,565,034	3,193,732
LIABILITIES		
CURRENT		
Trade and other payables	214,286	195,636
Notes payable (Note 6)	93,480	217,350
Deferred share capital issuance	2,094,745	-
TOTAL CURRENT LIABILITIES	2,402,511	412,986
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	18,236,761	15,299,752
CONTRIBUTED SURPLUS	9,438,623	8,832,033
DEFICIT	(22,512,861)	(21,351,039)
TOTAL SHAREHOLDERS' EQUITY	5,162,523	2,780,746
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,565,034	3,193,732

GOING CONCERN (Note 2)

SUBSEQUENT EVENTS (Note 10)

Approved by the Board of Directors:

“Marco Roque”

Marco Roque, Director

“James Letwin”

James Letwin, Director

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

MARGAUX RESOURCES LTD.**Interim Condensed Statements of Net Loss and Comprehensive Loss**

	Three months		Nine months	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Expenses				
Operating	16,057	18,970	45,590	59,072
General and administrative (Note 8)	197,363	261,891	601,759	747,250
Share-based payments (Note 7)	29,816	34,790	109,522	109,452
Depreciation (Note 4)	7,648	8,676	22,944	26,027
Total expenses	250,884	324,327	779,815	941,801
Interest on notes payables (Note 6)	7,700	3,150	16,130	4,200
Flow through share premium (Note 7)	(100,933)	(67,668)	(189,349)	(106,801)
Impairment of assets (Note 5)	-	-	555,226	368,615
Net loss and comprehensive loss	157,651	259,809	1,161,822	1,207,815
Weighted average number of shares	135,051,845	80,578,940	118,826,637	75,657,578
Basic and diluted loss per common share	(0.00)	(0.00)	(0.01)	(0.02)

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

MARGAUX RESOURCES LTD.
Interim Condensed Statements Changes in Shareholders' Equity

	Note	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance as at, September 30, 2019		15,299,752	8,832,033	(21,351,039)	2,780,746
Net loss and comprehensive loss		-	-	(1,161,822)	(1,161,822)
Common shares issued, net costs	7	209,138	-	-	209,138
Warrants issued	7	429,689	-	-	429,689
Warrants expired	7	(495,418)	495,418	-	-
Property option payments	7	2,793,600	-	-	2,793,600
Share-based payments	7	-	119,558	-	119,558
Capitalized share-based payments	7	-	1,650	-	1,650
Options forfeited	7	-	(10,036)	-	(10,036)
Balance as at, June 30, 2020		18,236,761	9,438,623	(22,512,861)	5,162,523
Balance as at, September 30, 2018		15,874,073	5,996,645	(19,697,984)	2,172,734
Net loss and comprehensive loss		-	-	(1,207,815)	(1,207,815)
Common shares issued, net costs	7	816,003	-	-	816,003
Warrants issued	7	440,171	-	-	440,171
Warrants expired	7	(2,372,431)	2,372,431	-	-
Property option payments	7	40,250	(19,315)	-	20,935
Share-based payments	7	-	121,207	-	121,207
Capitalized share-based payments	7	-	10,648	-	10,648
Options forfeited	7	-	(11,755)	-	(11,755)
Shares to be issued	7	550,000	-	-	550,000
Balance as at, June 30, 2019		15,348,066	8,469,861	(20,905,799)	2,912,128

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

MARGAUX RESOURCES LTD.
Statements of Cash Flows

	Three Months		Nine Months	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	(157,651)	(259,809)	(1,161,822)	(1,207,815)
Items not affecting cash:				
Share-based payments	29,816	34,790	109,522	109,452
Depreciation and depletion (Note 4)	7,648	8,676	22,944	26,027
Impairment of assets	-	-	555,226	368,615
Interest on note payable (Note 6)	7,700	3,150	16,130	4,200
Flow-through share premium	(100,933)	(67,668)	(189,349)	(106,801)
Change in non-cash working capital				
GST receivables	(1,449)	(3,311)	9,446	13,146
Prepays	(8,072)	(11,054)	15,170	(15,374)
Deposits	-	(5,500)	25,700	(5,500)
Trade and other payables	74,535	34,407	18,650	(124,360)
Net cash used in operating Activities	(148,406)	(266,319)	(578,383)	(938,410)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share and warrant issuance, net of costs	259,932	434,950	828,177	1,351,798
Proceeds from note payables	250,000	-	340,000	210,000
Repayment of note payables	(480,000)		(480,000)	
Deferred share capital issuance	2,094,745	550,000	2,094,745	550,000
Net cash generated from financing activities	2,124,677	984,950	2,782,922	2,111,798
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation	(362,913)	(283,370)	(685,008)	(844,208)
Net cash used in investing activities	(362,913)	(283,370)	(685,008)	(844,208)
INCREASE (DECREASE) IN CASH FOR THE PERIOD	1,613,358	435,261	1,519,531	329,180
CASH – BEGINNING OF PERIOD	40,303	217,842	134,130	323,923
CASH – END OF PERIOD	1,653,661	653,103	1,653,661	653,103

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. (the “Corporation” or “Margaux”) was incorporated under the Alberta Business Corporations Act on August 5, 2009. The Corporation currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols “MRL” and “MARFF” respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a Canadian gold exploration company focused on exploration in British Columbia.

2. GOING CONCERN

These interim condensed financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

Certain conditions exist that may cast significant doubt on the validity of the going concern assumption. The Corporation incurred a net loss of \$157,651 and \$1,161,822 for the three and nine-months period ended June 30, 2020 (2019 - \$259,809 and \$1,207,815) and had negative cash flows relating to operating activities of \$148,406 and \$578,383 (2019 - \$266,319 and \$938,410) and a working capital deficiency of \$705,123 (September 30, 2019 – \$210,513). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These interim condensed financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material.

The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt. While the Corporation has been successful in closing private placements in the past, there can be no assurance it will be able to do so again in the future. Subsequent to the period ended June 30, 2020 the Corporation raised \$4.5 Million (see subsequent notes).

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The current and expected impacts on global commerce are anticipated to be far-reaching. To date there have been significant stock market decline and volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people and some goods have become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the Corporation’s operations. The extent to which the coronavirus impacts the Corporation’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

3. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These interim condensed financial statements are presented in Canadian dollars which is the Company’s functional currency. In preparing these interim condensed financial statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2019.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2019 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2019. These interim condensed financial statements were authorized for issue by the board of directors on August 27, 2020.

4. PROPERTY AND EQUIPMENT

	Computers, Equipment & Vehicles \$
Cost	
Balance as at September 30, 2019	260,286
Additions	-
Balance as at June 30, 2020	260,286
Accumulated Depreciation	
Balance as at September 30, 2019	131,219
Charge for the period	22,944
Balance as at June 30, 2020	154,163
Net book value	
September 30, 2019	129,067
June 30, 2020	106,123

5. EXPLORATION AND EVALUATION ASSETS

	Jackpot Project	Sheep Creek Gold District Project	Old Timer Project	Cassiar Gold Project	Total
Balance at September 30, 2019	\$515,540	\$1,555,525	\$39,686	\$701,141	\$2,811,892
Cash option payments	-	-	-	-	-
Share option payments	-	-	-	2,793,600	2,793,600
Exploration costs	-	-	-	686,657	686,657
Impairment	(515,540)	-	(39,686)	-	(555,226)
Balance at June 30, 2020	\$ -	\$ 1,555,525	\$ -	\$ 4,181,398	\$ 5,736,923

Exploration and Evaluation (“E&E”) assets consist of costs expended on the Corporation’s projects which are pending determination of technical feasibility and commercial viability.

Cassiar Gold Project

On March 25, 2019 the Corporation entered into an Option Agreement with Wildsky Resources Inc. (“Wildsky”) for an option to acquire a 100% interest in the Cassiar Gold Project (“Cassiar Gold Option Agreement”) by way of an all-share agreement. In order to exercise the option, the Corporation must issue 58,200,000 common shares over 18 months (34,920,000 issued). Pursuant to the Cassiar Gold option Agreements, the Corporation must also undertake exploration on the Cassiar Gold property and must satisfy certain other conditions as follows:

- (a) Margaux will expend at least \$400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;
- (b) Six months after the transfer of the Corporation’s common shares Wildsky will have the right to appoint one member to the board of directors of Margaux;
- (c) Twelve months after the transfer of the Corporation’s common shares Wildsky will have the right to appoint an additional person (for a total of two board members) to the board of directors of Margaux;
- (d) Twelve months after the transfer of the Corporation’s common shares Wildsky will have the right to appoint one person to the senior management team of Margaux, on terms and conditions to be agreed upon by Margaux and Wildsky, acting reasonably; and,
- (e) Wildsky being granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar property, after capital payout of up to \$500,000.

Sheep Creek Gold District

The Sheep Creek Project consists of the Bayonne and Sheep Creek Properties (collectively the “Sheep Creek Project”).

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. (“YSR”) for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

Under the terms of the Bayonne and Sheep Creek Option Agreement, the Corporation has the exclusive option to acquire the Bayonne Property, by making payments to Yellowstone Resources Ltd. of an aggregate \$194,000 cash and aggregate issuance of 550,000 shares, paid in several installments over three years.

The Corporation has the exclusive option to acquire the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$500,000 cash and aggregate issuance of 1,050,000 shares, paid in several installments over five years. The Option Agreement was amended subsequent to the period end June 30, 2020 (see subsequent events).

Jackpot Project

During the nine-months period ended March 31, 2020, the Corporation terminated the Jackpot Option Agreement. As a result, management impaired the full value of the Jackpot Property in the amount of \$515,540.

Old Timer Project

During the nine-months period ended March 31, 2020, the Corporation terminated the Old Timer Option Agreement. As a result, management impaired the full value of the Old Timer Project in the amount of \$39,686.

6. NOTES PAYABLE

The notes payable bear interest at 6% per annum, is unsecured and due on demand. During the three and nine-months period ended June 30, 2020, \$7,700 and \$16,130 (2019 - \$1,050 and \$1,050) was accrued. During the period ended June 30, 2020, \$480,000, which included principal and accrued interest, was repaid. As at June 30, 2020, the remaining amount owing was \$93,480. Subsequent to the period ended June 30, 2020, \$93,480, which included principal and accrued interest was repaid.

7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common shares

	Number of common shares	Share capital
Balance at September 30, 2019	92,833,356	\$13,853,396
Shares issued (b)(d)(e)	9,894,055	865,995
Share option payments (a)(c)	34,920,000	2,793,600
Share issue costs		(37,818)
Warrant Allocation		(429,689)
Flow-through share discount		(189,350)
Balance at June 30, 2020	137,647,411	\$16,856,134

Margaux Resources Ltd.
Notes to the Interim Condensed Financial Statements
For the three and nine-months period ended June 30, 2020 and 2019

	Number of warrants	Share capital
Balance at September 30, 2019	29,224,387	\$1,446,356
Warrants issued (b)(d)(e)	9,894,055	429,689
Warrants expired	(2,888,798)	(495,418)
Balance at June 30, 2020	36,229,644	\$1,380,627
<hr/>		
Total share capital at September 30, 2019		\$15,299,752
Total share capital at June 30, 2020		\$18,236,761

- (a) On November 13, 2019, the Corporation issued an aggregate of 17,460,000 common shares of the Corporation satisfying the first and second tranches issuable under the Cassiar Option Agreement. The shares are subject to a four month and one day hold period in accordance with applicable securities always and a subsequent contractual 8 month hold period pursuant to the terms of the Option Agreement, for an aggregate one-year hold period.
- (b) On December 20, 2019, the Corporation closed on a non-brokered private placement of 555,555 units of the Corporation at a purchase price of \$0.09 per unit and 5,410,000 flow-through units at a purchase price of \$0.10 per unit for total proceeds of \$591,000. Each unit consists of one common share of the Corporation and one common share purchase warrant of the Corporation. Each flow-through unit consists of one Common Share issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one Flow-Through purchase warrant. Each common share purchase warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of \$0.15 per Warrant Share and each Flow-Through Warrant will entitle the holder to acquire one Warrant Share at an exercise price of \$0.17 per Warrant Share for a period of two years from December 20, 2019, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds \$0.25 per Common Share.

A value of \$241,911 has been attributed to the warrants issued. The fair value of these warrants was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Risk-free rate	1.67%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	167%
Weighted-average fair value	\$0.04
Expected Life	2 years

- (c) On March 25, 2020, the Corporation issued an aggregate of 17,460,000 common shares of the Corporation satisfying the third tranche issuable under the Cassiar Option Agreement. The shares are subject to a four month and one day hold period in accordance with applicable securities always and a subsequent contractual 8 month hold period pursuant to the terms of the Option Agreement, for an aggregate one-year hold period.
- (d) On April 28, 2020, the Corporation closed on a non-brokered private placement of 3,571,500 units of the Corporation at a purchase price of \$0.07 per unit for aggregate proceeds of \$250,005. Each unit consists of one common share and one common share of the Corporation and one common share purchase warrant of the Corporation. Each whole warrant will be exercisable by the holder at a price of \$0.12 per warrant for a period of two years from April 28, 2020, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds \$0.20 per Common Share.

A value of \$163,116 has been attributed to the warrants issued. The fair value of these warrants was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Risk-free rate	0.32%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	172%
Weighted-average fair value	\$0.05
Expected Life	2 years

- (e) On May 19, 2020, the Corporation closed on a non-brokered private placement of 357,000 units of the Corporation at a purchase price of \$0.07 per unit for aggregate proceeds of \$24,990. Each unit consists of one common share and one common share purchase warrant of the Corporation. Each whole warrant will be exercisable by the holder at a price of \$0.12 per warrant for a period of two years from May 19, 2020, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds \$0.20 per Common Share.

A value of \$18,661 has been attributed to the warrants issued. The fair value of these warrants was estimated using the Black-Scholes option pricing model based on the date of grant using the following assumptions:

Risk-free rate	0.30%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	183%
Weighted-average fair value	\$0.05
Expected Life	2 years

Flow-through shares

During the nine-months period ended June 30, 2020, the Corporation raised \$541,000 on a CEE flow-through share basis and was required to incur a net total of \$541,000 of qualifying expenditures to renounce the tax deductions to investors. As at June 30, 2020, all of the qualifying expenditures were incurred, and the Corporation met its flow-through share commitment. The accumulated flow-through share premium of \$189,349 was amortized during the nine months ended June 30, 2020.

Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at September 30, 2019	8,260,000	\$0.19
Cancelled	(741,667)	
Forfeited	(233,333)	
Exercisable as at June 30, 2020	6,059,996	\$0.20
Outstanding at June 30, 2020	7,285,000	\$0.18

No options were issued during the three and nine-months period ended June 30, 2020. At June 30, 2020, the weighted-average life of the options outstanding was 2 years (2019 – 2.6 years).

Share-based payments expense of \$29,816 and \$109,522 for the three and nine-months period ended June 30, 2020 (2019 – \$34,790 and \$109,452) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of \$550 and \$1,650 (2019 - \$3,549 and \$7,098) were capitalized to E&E.

8. GENERAL AND ADMINISTRATIVE

General and administrative details for the three-month periods ended June 30:

	3 Months		9 Months	
	2020	2019	2020	2019
Consulting	\$ 130,047	\$ 172,947	\$ 362,273	\$ 464,628
Travel & Meals	341	11,433	49,561	38,332
Office & Administrative	8,414	5,280	24,445	17,972
Marketing	27,616	31,378	77,106	111,795
Professional Fees	30,945	40,853	88,374	114,523
Total	\$ 197,363	\$ 261,891	\$601,759	\$ 747,250

9. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at June 30, 2020, the Corporation had an amount of \$29,190 (2019 - \$44,738) due to directors and officers included in trade and other payables.

During the three and nine-months period ended June 30, 2020 the Corporation paid \$38,400 and \$79,350 (2019 - \$37,500 and \$112,500) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of \$242 and \$923 (2019 - \$1,911 and \$3,601) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of \$22,500 and \$67,500 (2019 - \$22,500 and \$60,000) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of \$45,000 and \$145,000 (2019 - \$60,000 and \$182,500) in consulting fees were paid to a company owned by a director and officer of the Corporation for compensation as CEO of the Corporation. Costs associated with various administrative support costs of \$nil and \$2,401 (2019 - \$nil and \$235) was also reimbursed to a director and officer of the Corporation and was recorded in general and administrative expenses on the net loss and comprehensive loss.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three and nine-months periods ended June 30 were as follows:

	3 Months		9 Months	
	2020	2019	2020	2019
Short-term compensation	\$ 105,900	\$ 120,000	\$ 291,850	355,000
Share-based payments	29,816	34,790	109,522	121,207
Capitalized share-based payments	550	3,549	1,650	10,648
Total	\$ 136,266	\$158,339	\$ 403,022	486,855

10. SUBSEQUENT EVENTS

On July 10, 2020, the Corporation closed its' a non-private placement and issued:

- 49,993,993 units of the Corporation at a price of \$0.07 per unit; and,
- 11,111,109 flow-through units of the Corporation at a price of \$0.09 per flow-through unit.

Gross proceeds raised under the offering was \$4.5 Million.

Each Unit will consist of one common share and one common share purchase warrant ("Common Warrant"). Each Flow-Through Unit will consist of one Common Share issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one Flow-Through purchase warrant ("Flow-Through Warrant"). Each Common Warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of \$0.12 per Warrant Share and each Flow-Through Warrant will entitle the holder to acquire one Warrant Share at an exercise price of \$0.14 per Warrant Share until that date that is 24 months from the closing date of the Offering, subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSXV exceeds \$0.20 per Common Share.

The Corporation also entered into an Amending Agreement with Yellowstone Resources Ltd. To amend the option agreement dated December 26, 2016 and amended February 10, 2020, for the acquisition of 100% of the Bayonne and Sheep Creek Properties in Salmo, British Columbia.

Pursuant to the Amending Agreement, aggregate option payments (the "Option Payments") will be paid as follows:

1. Bayonne Property
 - a. cash payment of \$60,000 and issuance of 200,000 Common Shares will be paid on or before July 31, 2020, by way of a cash payment of \$50,000, the release of a \$10,000 holdback and the issuance of 200,000 Common Shares. In addition, \$30,000 will be paid by the issuance of additional Common Shares, at a price per Common Share, equal to the Discounted Market Price (as defined in the policies of the TSXV) (subject to TSXV approval).
2. Sheet Creek Property
 - a. the cash payment of \$100,000 payable on or before July 31, 2020 will be settled by issuing \$100,000 in Common Shares, at a price per Common Share, equal to the Discounted Market Price (subject TSXV approval).

All other terms and conditions of the Option Agreement shall remain otherwise unamended.