Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

BRIXTON METALS CORPORATION

(An Exploration Stage Company)

Six months ended March 31, 2020 and 2019

Unaudited – prepared by management

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 condensed consolidated 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BRIXTON METALS CORPORATION
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – expressed in Canadian dollars)

		March 31, 2020		September 30, 2019
Assets				
Current assets:				
Cash	$	4,851,870	$	5,842,871
Receivables (Note 5)		407,601		593,361
Prepaid expenses (Note 6)		87,629		116,380
		5,347,100		**6,552,612**
Restricted cash (Note 7)		465,364		465,364
Equipment (Note 8)		359,615		227,230
Exploration and evaluation assets (Note 9)		6,129,043		6,003,324
Total Assets	$	**12,301,122**	$	**13,248,530**
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	53,266	$	877,066
Due to related parties (Note 10)		10,725		181,178
Lease liabilities (Note 11)		65,980		-
Flow-through share premium liability (Note 12(b))		300,773		-
		430,744		**1,058,244**
Lease liabilities - non-current (Note 11)		101,274		-
Reclamation obligation (Note 9)		176,075		176,075
Total Liabilities		**708,093**		**1,234,319**
Shareholders' equity:				
Share capital (Note 12(b))		41,225,612		39,541,846
Reserves (Note 12(d))		7,836,997		7,782,579
Deficit		(37,469,580)		(35,310,214)
		11,593,029		**12,014,211**
Total Liabilities and Shareholders' Equity	$	**12,301,122**	$	**13,248,530**

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

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

Approved on behalf of the Board:

“Cale Moodie” Director

“Gary Thompson” Director

BRIXTON METALS CORPORATION
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – expressed in Canadian dollars)

	Three months ended		Six months ended	
	Mar 31, 2020	**Mar 31, 2019**	**Mar 31, 2020**	**Mar 31, 2019**
Expenses:				
Amortization (Note 8)	$ 22,985	$ 7,671	$ 40,029	$ 15,343
Conference and exhibition	47,177	19,408	72,967	33,429
Directors' fees (Note 10)	15,000	12,000	28,500	21,000
Exploration and evaluation expenditures (Note 9)	297,071	237,790	1,394,527	1,100,970
Insurance	6,307	5,174	12,613	10,464
Interest and bank charges	15,226	1,123	16,340	2,029
Investor relations	82,664	124,557	216,955	225,010
Listing and filing fees	12,619	23,089	28,656	36,514
Management fees (Note 10)	101,981	95,585	199,106	188,087
Office and sundry	19,690	41,012	40,097	57,851
Professional services (Note 10)	38,807	45,140	86,162	98,751
Rent	12,850	18,767	31,954	37,534
Salaries and employee benefits (Note 10)	30,598	28,732	67,426	54,760
Share-based payments (Note 10, 12(d))	-	-	-	330,791
Travel and meals	5,584	25,970	11,433	30,748
	(708,559)	**(686,018)**	**(2,246,765)**	**(2,243,281)**
Interest income	16,404	7,567	32,988	11,110
Lease accretion (Note 11)	(1,383)	-	(1,383)	-
Reduction of flow-through premium liability (Note 12(b))	41,545	27,752	55,794	64,402
	56,566	**35,319**	**87,399**	**75,512**
Loss and comprehensive loss for the period	**(651,993)**	**(650,699)**	**(2,159,366)**	**(2,167,769)**
Loss per share - basic and diluted	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding	144,529,715	90,270,314	141,187,639	82,703,392

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

BRIXTON METALS CORPORATION

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – expressed in Canadian dollars, except share amounts)

	Number of shares	Share capital	Obligation to issue shares	Share-based payments reserve	Deficit	Total equity
September 30, 2018	69,062,402	$ 29,444,856	$ 15,000	$ 5,487,859	$ (27,597,326)	$ **7,350,389**
Common shares issued for mineral properties	70,000	10,850	-	-	-	**10,850**
Common shares issued for cash	4,905,899	735,885	-	-	-	**735,885**
Flow through shares issued for cash	12,044,680	2,047,596	-	-	-	**2,047,596**
Flow through premium liability	-	(240,894)	-	-	-	**(240,894)**
Share-based payments	-	-	-	330,791	-	**330,791**
Warrants exercised	4,194,000	630,733	(15,000)	(1,633)	-	**614,100**
Share issuance costs	-	(278,310)	-	88,975	-	**(189,335)**
Loss for the period	-	-	-	-	(2,167,769)	**(2,167,769)**
March 31, 2019	**90,276,981**	**32,350,716**	**-**	**5,905,992**	**(29,765,095)**	8,491,613
Common shares issued for cash	41,321,756	7,437,916	-	-	-	**7,437,916**
Flow through shares issued for cash	1,639,727	360,740	-	-	-	**360,740**
Flow through premium liability	-	(65,589)	-	-	-	**(65,589)**
Share-based payments	-	-	-	1,428,820	-	**1,428,820**
Stock options exercised	90,000	26,321	-	(12,821)		**13,500**
Warrants exercised	1,480,027	403,079	-	(101,396)	-	**301,683**
Share issuance costs	-	(971,337)	-	561,984	-	**(409,353)**
Loss for the period	-	-	-	-	(5,545,119)	**(5,545,119)**
September 30, 2019	**134,808,491**	**39,541,846**	**-**	**7,782,579**	**(35,310,214)**	12,014,211
Common shares issued for mineral properties	515,000	89,300	-	-	-	**89,300**
Common shares issued for cash	350,000	70,000	-	-	-	**70,000**
Flow through shares issued for cash	8,914,183	2,139,404	-	-	-	**2,139,404**
Flow through premium liability	-	(356,567)	-	-	-	**(356,567)**
Warrants exercised	7,700	1,991	-	(836)	-	**1,155**
Share issuance costs	-	(260,362)	-	55,254	-	**(205,108)**
Loss for the period	-	-	-	-	(2,159,366)	**(2,159,366)**
March 31, 2020	**144,595,374**	**$ 41,225,612**	**$ -**	**$ 7,836,997**	**$ (37,469,580)**	**$ 11,593,029**

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

BRIXTON METALS CORPORATION

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – expressed in Canadian dollars)

	Three months ended		Six months ended	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31,2019
Cash flows used in operating activities:				
Loss for the period	$ (651,993)	$ (650,699)	$ (2,159,366)	$ (2,167,769)
Items not affecting cash:				
Amortization	22,985	7,671	40,029	15,343
Recognition of flow-through premium liability	(41,545)	(27,752)	(55,794)	(64,402)
Lease accretion	1,383	-	1,383	-
Share-based payments	-	-	-	330,791
	(669,170)	(670,780)	(2,173,748)	(1,886,037)
Changes in non-cash working capital:				
Receivables	245,576	53,775	185,760	46,292
Prepaid expenses	28,478	85,488	28,751	66,777
Accounts payable and accrued liabilities	(29,015)	(204,504)	(778,090)	(111,514)
Due to related parties	(33,775)	47,189	(170,453)	50,189
	(457,906)	(688,832)	(2,907,780)	(1,834,293)
Cash flows used in investing activities:				
Mineral property acquisition costs	(28,836)	(23,949)	(36,419)	(55,498)
Purchase of equipment	-	-	(45,710)	-
Reclamation bonds posted as restricted cash	-	(39,000)	-	(39,000)
	(28,836)	(62,949)	(82,129)	(94,498)
Cash flows from financing activities:				
Shares issued for cash	-	-	2,209,404	2,783,481
Warrants exercised	-	-	1,155	614,100
Payments towards lease liabilities	(6,543)	-	(6,543)	-
Share issuance costs	(31,502)	(29,756)	(205,108)	(189,335)
	(38,045)	(29,756)	1,998,908	3,208,246
Change in cash	(524,787)	(781,537)	(991,001)	1,279,455
Cash, beginning of the period	5,376,657	3,444,145	5,842,871	1,383,153
Cash, end of the period	$ 4,851,870	$ 2,662,608	$ 4,851,870	$ 2,662,608
Supplemental non-cash financing information:				
Shares issued for mineral properties	$ 89,300	$ -	$ 89,300	$ -
Finders warrants issued	$ 55,254	$ 98,740	$ 55,254	$ 98,740
Equipment in accounts payable - opening	$ 45,710	$ -	$ 45,710	$ -
Flow-through premium liability on issuance of flow-through shares	$ 356,567	$ 240,894	$ 356,567	$ 240,894
Right-of-Use assets recognized on extension of office lease	$ 172,414	$ -	$ 172,414	$ -
Amounts transferred to share capital on exercise of warrants	$ 836	$ 1,633	$ 836	$ 1,633

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

1. Nature of operations and going concern:

Brixton Metals Corporation ("Brixton" or the "Company") was incorporated under the Business Corporations Act of British Columbia on September 28, 2009. The Company is an exploration stage company and engages principally in the acquisition, exploration, and evaluation of mineral properties. The Company's head office address is Suite 551 – 409 Granville Street, Vancouver, BC, V6C 1T2, Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol BBB.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business.

The Company has a history of losses with no operating revenue and incurred a loss of $2,159,366 for the six months ended March 31, 2020 (2019 - $2,167,769). As at March 31, 2020, the Company has an accumulated deficit of $37,469,580, cash of $4,851,870 and working capital of $4,916,356. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or achieve operating profitability and generate positive cash flows. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and evaluation activities.

During the period ended March 31, 2020, the Company completed financings of total gross proceeds of approximately $2,209,404. The Company estimates it has sufficient funds to operate for the ensuing 12 months.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies:

(a) Statement of compliance:

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Significant accounting policies (continued):

(a) Statement of compliance (continued):

Unless otherwise stated, amounts are expressed in Canadian dollars.

These condensed consolidated interim financial statements were authorized for issuance by the Board on May 26, 2020.

(b) Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary Brixton USA Corporation ("Brixton USA"). The financial statements of Brixton USA are included in the condensed consolidated interim financial statements from the date on which control was transferred to the Company. 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. All significant intercompany accounts and transactions have been eliminated on consolidation.

(c) Critical accounting judgments and estimates:

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of exploration and evaluation assets; provision for environmental rehabilitation; inputs used in the valuation of share-based payments and accrual of refundable tax credits.

Share-based payments:

The Company uses the fair value-based method of accounting for stock options granted to employees and others as well as agent options issued on common share issuances. Under this method, the fair value of the stock options at the date of the grant, as determined using the Black-Scholes option pricing model, is recognized to expense over the vesting period. The fair value of agent options at the date of issuance, as determined using the Black-Scholes model, is recognized as share issuance costs, with the offsetting credit to share-based payments reserve. If the stock options or agent options are exercised, the proceeds are credited to share capital and the fair value of the options or agent options exercised is reclassified from share-based payments reserve to share capital.

2. Significant accounting policies (continued):

(c) Critical accounting judgments and estimates (continued):

Estimates (continued)

Exploration and evaluation assets:

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

Environmental rehabilitation obligation:

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Accrual of refundable mining tax credits

The provincial government of BC provides for a refundable tax on net qualified mining exploration expenditures incurred in BC. The credit is calculated as 20% of qualified mining exploration expenses. Management has estimated and accrued the likely refundable amount arising from expenditures incurred.

Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

Going concern:

Significant judgments are made in the Company's assessment of its ability to continue as a going concern as described in Note 1.

3. Significant accounting policies:

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the audited consolidated financial statements for the year ended September 30, 2019, except for the following:

IFRS 16 *Leases*

The Company adopted IFRS 16 *Leases* ("IFRS 16") on October 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets.

As the Company's leases were one year or less in duration as at October 1, 2019, there was no impact on the Company's results and financial position as a result of the adoption of the IFRS 16.

4. Capital management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. 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, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management strategy on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term demand guaranteed deposits, all held with major financial institutions.

(Unaudited – expressed in Canadian dollars)

5. Receivables:

	Mar 31, 2020	Sept 30, 2019
Amounts due from Government of Canada pursuant to GST input tax credits	$ 34,924	$ 214,844
Amounts due from Government of BC pursuant BC Mining Exploration tax credit	372,165	372,165
Other	512	6,352
Total	$ 407,601	$ 593,361

6. Prepaid expenses:

	Mar 31, 2020	Sept 30, 2019
Prepaid insurance	$ 7,775	$ 20,387
Prepaid expenses and advances to related parties (Note 10)	47,752	-
Other prepaid expenses	32,102	95,993
Total	$ 87,629	$ 116,380

7. Restricted cash:

At March 31, 2020, the Company had a total of $465,364 (September 30, 2019 - $465,364) in bonds, comprising $306,051 (September 30, 2019 - $306,051) held with the Government of British Columbia for potential reclamation costs on its Thorn and Yellowjacket (Atlin) projects in British Columbia and $159,313 (September 30, 2019 - $159,313) held with the State of Montana for potential reclamation costs on its Hog Heaven project in Montana, USA. These bonds are refundable at such time the Company completes the required exploration activities and receives approval from the regulating authorities.

8. Equipment:

	Building	Mining equipment	Computer equipment	Vehicles	Right-of-Use Asset	Total
Cost						
Balance, September 30, 2019	$ -	$ 69,825	$ 23,723	$ 57,675	$ -	$ 151,223
Additions	198,315	-	-	-	-	198,315
Disposals	-	(54,632)	-	-	-	(54,632)
Balance, September 30, 2019	$ 198,315	$ 15,193	$ 23,723	$ 57,675	$ -	294,906
Additions	-	-	-	-	172,414	172,414
Balance, March 31, 2020	$ 198,315	$ 15,193	$ 23,723	$ 57,675	$ 172,414	$ 467,320

(Unaudited – expressed in Canadian dollars)

8. Equipment (continued):

	Building	Mining equipment	Computer equipment	Vehicles	Right-of-Use Asset	Total
Accumulated Amortization						
Balance, September 30, 2018	$ -	$ -	$ 19,084	$ 29,856	$ -	$ 48,940
Amortization expense	-	20,948	1,392	8,345	-	30,685
Disposals	-	(11,949)	-	-	-	(11,949)
Balance, September 30, 2019	$ -	$ 8,999	$ 20,476	$ 38,201	$ -	$ 67,676
Amortization expense	29,747	929	487	2,921	5,945	40,029
Balance, March 31, 2020	$ 29,747	$ 9,928	$ 20,963	$ 41,122	$ 5,945	$ 107,705
Net Book Value						
Balance, September 30, 2019	$ 198,315	$ 6,194	$ 3,247	$ 19,474	$ -	$ 227,230
Balance, March 31, 2020	$ 168,568	$ 5,265	$ 2,760	$ 16,553	$ 166,469	$ 359,615

9. Exploration and evaluation assets:

Balance consists of:

	March 31, 2020	September 30, 2019
Thorn, BC, Canada	$ 3,231,744	$ 3,162,905
Langis, Ontario, Canada	485,426	482,991
Atlin, BC, Canada	1,308,853	1,280,803
Hog Heaven, Montana, USA	1,103,020	1,076,625
Total	$ 6,129,043	$ 6,003,324

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 conveyance history characteristic of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge title to the assets is in good standing.

9. Exploration and evaluation assets (continued):

(a) Thorn, BC, Canada:

On February 26, 2013, the Company completed the acquisition of a 100% interest in the Thorn mineral property, located in the Sutlahine River area in northwestern British Columbia, from Rimfire Minerals Corporation for consideration of $1,500,000 cash and the issuance of 7,000,000 common shares (valued at $1,260,000). The property is subject to underlying net smelter returns royalties (“NSR”) ranging from nil to 3.5% with certain NSR buy-down rights. In addition to the royalties the Company must satisfy underlying obligations to an underlying agreement in respect of the property with Cangold Limited which requires the Company to issue 250,000 shares or make a one-time cash payment of $1,000,000 upon commercial production.

During the six months ended March 31, 2020, the Company issued 350,000 common shares, valued at $61,250, to acquire 100% title on certain claims as part of the project.

Taku River Tlingit First Nations Agreement

On July 19, 2013, the Company entered into an exploration agreement with the Taku River Tlingit First Nation (“TRTFN”) under which TRTFN will consent to exploration activities and support the development of the Thorn project. In exchange, the Company shall pay an annual community contribution fee of 1.25% based on the Company's annual exploration budget and provide opportunities for local employment, training and contracting related to the project.

For the six months ended March 31, 2020, the Company has recognized a reclamation obligation of $29,000 (September 30, 2019 - $29,000). The undiscounted amount of estimated cash flows was estimated at $52,000. The liability was estimated using an expected life of 27 years and a net risk-free discount rate of 2%.

(b) Langis, Ontario, Canada:

On February 2, 2016, the Company acquired a 100% interest in the Langis silver mine located in the Cobalt silver mining camp of Northeastern Ontario from Canagco Mining Corp. (“Canagco”) for consideration of 3,242,500 common shares (valued at $226,975) and a cash payment of $55,000. The Company also paid a finder’s fee of $6,887 and 106,351 common shares valued at $9,572. The property is subject to underlying NSR ranging from nil to 2.0% of net smelter returns with certain NSR buy-down rights.

On April 13, 2016, the Company acquired additional mineral rights related to the Langis property in exchange for consideration of $5,000 and 250,000 common shares (valued at $107,500). The property is subject to 2% NSR with certain NSR buy-down rights.

On April 19, 2016, the Company acquired a 100% interest in the past-producing Hudson Bay silver mine in the Cobalt silver mining camp of Ontario through the issuance of 27,300 common shares (valued at $27,300) and a cash payment of $1,000.

9. Exploration and evaluation assets (continued):

(b) Langis, Ontario, Canada (continued):

On July 7, 2016, the Company entered into an agreement with a vendor whereby the Company acquired additional mining rights in the Langis property through the issuance of 10,000 common shares (valued at $8,300) and a cash payment of $3,000. The property is subject to 2% NSR with certain NSR buy-down rights.

During fiscal 2017, the Company completed an agreement with Agnico Eagle Mines Ltd. (“Agnico Eagle”) and acquired a 100% interest over certain additional property adjacent to the Langis property for consideration of cash paid of $200,000. Agnico Eagle retains a 2% NSR, of which the Company may purchase 1% for $500,000.

On June 7, 2017, the Company entered into an agreement with First Cobalt Corp. (“First Cobalt”) to sell a 100% interest in certain of the Company’s non-core mineral claims located in the Cobalt silver mining camp in Ontario for consideration of $325,000 cash (received). The Company paid a $16,250 finder’s fee in connection with this transaction.

For the six months ended March 31, 2020, the Company has recognized a reclamation obligation of $30,007 (September 30, 2019 - $30,007). The undiscounted amount of estimated cash flows was estimated at $56,000. The liability was estimated using an expected life of 28 years and a net risk-free discount rate of 2%.

Timiskaming First Nations Agreement

On May 2, 2016, the Company entered into an exploration agreement with Timiskaming First Nation (“TFN”), under which TFN will consent to exploration activities and support the development of the Company’s Langis project and other cobalt lands, in exchange for the Company paying an annual community contribution of 1.25% based on the Company's annual exploration budget and providing opportunities for local employment, training and contracting related to the project.

(c) Atlin, BC, Canada:

On January 25, 2017, the Company entered into an option agreement with two third parties to acquire a 100% interest in the Eagle property located in Atlin, British Columbia, for consideration of $65,000 ($40,000 paid) and the issuance of 115,000 common shares (total 75,000 shares issued valued at $22,800), payable over a three year period. The vendors will retain a 2% NSR, of which the Company may purchase 1% for $500,000.

On March 14, 2017, the Company entered into an agreement and acquired a 100% interest in additional mineral claims located in Atlin, British Columbia, by paying $13,000 and issuing 20,000 common shares (valued at $10,600). The property is subject to an NSR ranging from 0.2% to 0.5% with certain NSR buy-down rights.

9. Exploration and evaluation assets (continued):

(c) Atlin, BC, Canada (continued):

During fiscal 2018, the Company entered into a series of separate asset purchase and sale agreements to acquire a 100% interest in certain mineral claims including the McKee, Otter, Yellowjacket and Spruce group of properties located in the Atlin mining district in British Columbia. In consideration, the Company paid $70,000 and issued 5,060,000 common shares, valued at $1,082,000. As part of the acquisition, the Company acquired equipment valued at $69,825. The properties are subject to an NSR ranging from 1% to 1.5% with certain NSR buy-down rights.

During fiscal 2018, the Company also acquired a total of $172,051 in bonds held with the Government of British Columbia in connection with potential reclamation costs on the Yellowjacket property, which have been recorded as restricted cash at September 30, 2018 and December 31, 2019.

During fiscal 2019, the Company entered into an asset purchase and sale agreement to acquire a 100% interest in certain mineral claims in the Atlin mining district in British Columbia. In consideration, the Company paid $3,500 (paid) and issued 40,000 common shares (valued at $6,350).

On January 7, 2020, the Company amended an agreement with respect to their Eagle property on the Atlin project, wherein the third-year payments of $25,000 cash and 40,000 common shares were amended to a total of 165,000 common shares. On January 15, 2020, the Company issued the 165,000 common shares, with a fair value of $28,050, resulting in the Company fulfilling all the requirements under the agreement and receiving 100% title on these claims.

For the six months ended March 31, 2020, the Company has recognized a reclamation obligation of $80,983 (September 30, 2019 - $80,983). The undiscounted amount of estimated cash flows was estimated at $89,553. The liability was estimated using an expected life of 9 years and a net risk-free rate of 0.5%.

(d) Hog Heaven, Montana, USA:

On June 21, 2017, the Company acquired, through an agreement with Pan American Silver Corp. (“Pan American”), a 100% interest in the Hog Heaven project in Montana, USA, through the issuance of 2,687,091 common shares (valued at $994,224). The property is subject to a 3.0% NSR.

For the six months ended March 31, 2020, the Company has recognized a reclamation obligation of $36,085 (2018 - $36,085). The undiscounted amount of estimated cash flows was estimated at $67,000. The liability was estimated using an expected life of 28 years and a net risk-free discount rate of 2.1%.

During the year ended September 30, 2018, the Company paid a total of $159,313 in bonds held with the State of Montana in connection with potential reclamation costs on the Hog Heaven property, which have been recorded as restricted cash at September 30, 2018 and December 31, 2019.

(Unaudited – expressed in Canadian dollars)

9. Exploration and evaluation assets (continued):

During the six months ended March 31, 2020, the Company incurred the following exploration expenditures:

	Thorn Property BC, Canada	Langis Property ON, Canada	Atlin Property BC, Canada	Hog Heaven Property Montana, USA	General Exploration	Total
Six months ended March 31, 2020						
Analysis	$ 184,167	$ 1,750	$ 6,569	$ 1,428	$ -	$ **193,914**
Camp and general	141,213	41,826	24,181	-	-	**207,220**
Community relations	66,001	-	-	-	-	**66,001**
Drilling	220,562	78,803	-	-	-	**299,365**
Field supplies and rentals	128,873	11,056	3,198	-	-	**143,127**
Field transportation	315,949	5,090	-	-	-	**321,039**
Geological consulting	162,889	22,499	2,200	2,645	-	**190,233**
Geophysics and metallurgy	(26,560)	-	-	-	-	**(26,560)**
Maps, orthos, and reports	20	66	-	-	-	**86**
Permitting	-	-	-	102	-	**102**
Total for the period	**$ 1,193,114**	**$ 161,090**	**$ 36,148**	**$ 4,175**	**$ -**	**$ 1,394,527**
Six months ended March 31, 2019						
Analysis	$ -	$ 76,120	$ 7,939	$ 2,978	$ -	$ **87,037**
Camp and general	8,802	76,680	150,177	566	173	**236,398**
Community relations	-	-	-	-	2,674	**2,674**
Drilling	-	271,057	-	-	-	**271,057**
Field supplies and rentals	-	19,727	122,018	8,030	-	**149,775**
Field transportation	2,675	2,840	6,414	170	-	**12,099**
Geological consulting	81,979	48,415	103,743	10,018	2,473	**246,628**
Geophysics and metallurgy	-	32,243	51,313	-	-	**83,556**
Maps, orthos, and reports	2,400	-	74	-	-	**2,474**
Staking and claims fees	-	-	9,230	-	-	**9,230**
Total for the period	**$ 95,856**	**$ 527,082**	**$ 450,908**	**$ 21,804**	**$ 5,320**	**$ 1,100,970**

10. Related party transactions:

During the six months ended March 31, 2020, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	March 31, 2020	March 31, 2019
Management fees, salaries and professional services	$ 264,753	$ 268,884
Director fees	27,000	21,000
Share-based payments	-	239,332
Total	$ 291,753	$ 529,216

Key management is defined as directors and officers of the Company.

(Unaudited – expressed in Canadian dollars)

10. Related party transactions (continued):

As at March 31, 2020, the Company had $10,725 (September 30, 2019 - $181,178) due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments. During the six months ended March 31, 2020, a spouse of a director received $24,796 (2019 - $16,706) for administrative services (included in salaries and employee benefits) and $nil (2019 - $8,548) for share-based compensation. Amounts prepaid to directors and officers are disclosed in Note 6.

11. Lease liabilities:

The Company entered into an office lease agreement during 2017. The lease term had an expiration of August 14, 2020 with remaining lease payments of $36,556 as at September 30, 2019. As at October 1, 2019, the lease was considered a short-term lease and had no impact on adoption of IFRS 16.

During the period ended March 31, 2020, the Company extended the lease to August 14, 2022 for total undiscounted payments from the date of amendment of $193,360. Using an annual discount rate of 10%, the Company recognized additions to lease liabilities and Right-of-Use Assets of $172,414. The following summarizes the undiscounted minimum lease payments under the lease liabilities as at March 31, 2020:

Fiscal Year		**Payment**
2020	$	39,399
2021		76,691
2022		67,728
Amount representing future lease accretion		(19,564)
		167,254
Lease liabilities, current portion		(65,980)
Lease liabilities, non-current portion	$	101,274

The following is a reconciliation of the changes in the lease liabilities:

		March 31, 2020
Opening balance	$	-
Additions		172,414
Lease accretion		1,383
Payments		(6,543)
Lease liabilities	$	167,254

12. Share capital:

(a) Authorized share capital:

Unlimited common shares without par value.

(b) Issued and outstanding common shares:

(*i*) Share issuances:

2020 Transactions

On January 10, 2020, the Company issued 350,000 shares to Surge Exploration Inc. for 100% title on certain claims located in northwest British Columbia as part of their Thorn project valued at $61,250 (Note 9(a)).

On January 15, 2020, the Company issued 165,000 common shares valued at $28,050 with respect to an amendment on its Eagle property agreement on the Atlin project (Note 9(c)), resulting in Company fulfilling all the requirements under the agreement and receiving 100% title on these claims.

On November 7, 2019, the Company issued 7,700 common shares upon the exercise of finders warrants, for total gross proceeds of $1,155.

2019 Transactions

On August 23, 2019, the Company issued 90,000 common shares upon the exercise of stock options at a price of $0.15 per share for total gross proceeds of $13,500.

On February 11, 2019, the Company issued 10,000 common shares as consideration for the acquisition of the Wilson mineral claims located in the Atlin mining district, valued at $1,850 (Note 9(c)).

On January 3, 2019, the Company issued a total of 60,000 common shares as consideration for the acquisition of mineral claims located in the Atlin mining district, valued at $9,000 (Note 9(c)).

On October 11, 2018, the Company completed the acceleration of 7,717,200 share purchase warrants, including 467,200 finder's warrants, issued pursuant to a private placement of units that closed in April 2016. Prior to the acceleration, a total of 1,285,200 warrants had been exercised, with 6,432,000 warrants remaining. On completion of the acceleration, the Company issued 4,194,000 common shares upon the exercise of warrants at a price of $0.15 per share for gross proceeds of $629,100 of which $15,000 was received in fiscal 2018, and the remaining 2,238,000 warrants were cancelled.

During fiscal 2019, the Company issued 5,764,027 common shares upon the exercise of warrants, including 687,237 finders' warrants, for total gross proceeds of $1,020,130.

12. Share capital (continued):

(b) Issued and outstanding common shares (continued):

(*i*) Share issuances (continued):

Private placements

On November 27, 2019, the Company completed a non-brokered private placement of total gross proceeds of $1,697,080. The Company issued 100,000 common shares at a price of $0.20 per share for gross proceeds of $20,000 and issued 6,987,833 flow-through shares at a price of $0.24 per flow-through share for gross proceeds of $1,677,080. The Company closed a second tranche on December 12, 2019 for gross proceeds of $512,324, consisting of 1,926,350 flow-through shares at $0.24 per share and 250,000 common shares at $0.20 per share. In connection with the private placement, the Company paid commissions and closing costs comprising total cash fees of $260,362 and issued an aggregate of 522,877 finders' warrants valued at $55,255, each finders' warrant exercisable at a price of $0.24 per share for a period of two years. The Company recognized a flow-through premium liability of $356,567, of which $55,794 was recognized as a recovery on flow-through premium liability during the six months ended March 31, 2020.

On August 9, 2019, the Company completed a non-brokered private placement of total gross proceeds of $7,798,656. The Company issued 41,321,756 units at a price of $0.18 per share for gross proceeds of $7,437,916, each unit consisting of one common share of the Company and one share purchase warrant exercisable at $0.25 per share for a period of two years. The Company also issued 1,639,727 flow-through shares at a price of $0.22 per flow-through share. In connection with the private placement, the Company paid commissions comprising total cash fees of $369,519 and issued an aggregate of 2,028,396 finders' warrants, each finders' warrant exercisable at a price of $0.25 per share for a period of three years. The Company recognized a flow-through premium liability of $65,589, which was fully recognized as a recovery on flow-through premium liability during the year ended September 30, 2019.

On December 19, 2018, the Company completed a non-brokered private placement of total gross proceeds of $2,783,480. The Company issued 4,905,899 units at a price of $0.15 per unit for gross proceeds of $735,885, each unit consisting of one common share of the Company and one share purchase warrant exercisable at $0.25 per share for a period of two years. The warrants are subject to an acceleration clause. The Company also issued 12,044,680 flow-through shares at a price of $0.17 per flow-through share. In connection with the private placement, the Company paid commissions comprising total cash fees of $153,284 and issued an aggregate of 918,495 finders' warrants, each finders' warrant exercisable at a price of $0.15 per share for a period of three years and also subject to the same acceleration clause as contained in the warrants included in the aforementioned units. The Company recognized a flow-through premium liability of $240,894, which was fully recognized as a recovery on flow-through premium liability during the year ended September 30, 2019.

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(b) Issued and outstanding common shares (continued):

(*i*) Share issuances (continued):

Private placements (continued)

On October 17, 2017, the Company closed a private placement, issuing 5,232,036 units at a price of $0.32 per unit for total gross proceeds of $1,674,252. Each unit consisted of one common share and one-half of one common share purchase warrant, exercisable at a price of $0.48 per share for three years. In connection with the private placement, the Company paid finder's fees totaling $101,224 cash and issued 316,323 finder's warrants valued at $71,191, exercisable at $0.32 per share for three years. As at September 30, 2017, the Company had received $1,179,000 in advance subscriptions in relation to this private placement.

(c) Warrants:

As at March 31, 2020, the following warrants were outstanding:

Expiry date		Weighted average exercise price	Number of warrants		Weighted average remaining contractual life in years
4-Apr-20	$	0.50	266,120	*	0.01
17-Oct-20	$	0.48	2,616,017		0.55
17-Oct-20	$	0.32	316,323		0.55
18-Dec-21	$	0.25	4,255,899		1.72
18-Dec-21	$	0.15	227,558		1.72
9-Aug-21	$	0.25	20,660,878		1.36
9-Aug-22	$	0.25	2,028,396		2.36
27-Nov-21	$	0.24	388,033		1.66
21-Dec-21	$	0.24	134,844		1.73
	$	0.27	30,894,068		1.39

* expired unexercised subsequent to March 31, 2020

	Number of warrants		Weighted average exercise price
Balance, September 30, 2018	13,241,450	$	0.49
Granted during the year	28,513,668		0.25
Exercised during the year	(5,674,027)		0.16
Expired during the year	(5,014,800)		0.45
Balance, September 30, 2019	31,066,291	$	0.27
Granted during the period	522,877		0.24
Exercised during the period	(7,700)		0.15
Expired during the period	(687,400)		0.25
Balance, March 31, 2020	30,894,068	$	0.27

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(c) Warrants (continued):

The fair values of the finders' warrants are estimated using the Black-Scholes option pricing model. The weighted average fair value per finders' warrant granted during the six months ended March 31, 2020 was $0.11 (2019 - $0.11). The following weighted average assumptions used in the calculation of fair value are as follows:

	March 31, 2020	March 31, 2019
Risk-free interest rate	1.64%	1.88%
Expected volatility	106.48%	116.45%
Expected life of options	2.00 years	3.00 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

(d) Share-based payments:

The Board of Directors of the Company has approved a stock plan (the "Plan"), whereby the number of shares issuable under the Plan is limited to 10% of the issued and outstanding shares of the Company. The exercise price of each option shall not be less than the discounted market price of the Company's shares as calculated on the date of grant. An option's maximum term is ten years and shall vest as determined by the Board of Directors. Options granted to investor relations consultants shall vest in stages over 12 months with no more than one-quarter of options vesting in any three-month period.

The following tables reflects the continuity of stock options for the six months ended March 31, 2020 and 2019:

Number outstanding Sept 30, 2019	Granted	Exercised	Cancelled	Number outstanding Mar 31, 2020	Weighted average exercise price per share	Expiry date	Weighted average remaining contractual life in years
35,000	-		-	35,000	$ 0.14	April 7, 2025	5.02
2,600,000	-		-	2,600,000	$ 0.70	September 12, 2026	6.45
1,325,000	-		-	1,325,000	$ 0.50	April 3, 2027	7.01
175,000	-		-	175,000	$ 0.50	June 21, 2027	7.23
2,000,000	-		-	2,000,000	$ 0.30	January 8, 2028	7.78
100,000	-		-	100,000	$ 0.21	August 1, 2028	8.34
2,184,000	-		60,000	2,124,000	$ 0.15	December 17, 2028	8.72
4,300,000	-		-	4,300,000	$ 0.30	August 27, 2029	9.41
12,719,000	-	-	60,000	12,659,000	$ 0.38		8.13
			(Exercisable)	12,659,000	$ 0.38		

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(d) Share-based payments (continued):

Period ending: 30-Sep-19

Number outstanding Sept 30, 2018	Granted	Exercised	Cancelled	Number outstanding Sept 30, 2019	Weighted average exercise price per share	Expiry date	Weighted average remaining contractual life in years
35,000	-		-	35,000	$ 0.14	April 7, 2025	5.52
2,600,000	-		-	2,600,000	$ 0.70	Sept 12, 2026	6.96
1,325,000	-		-	1,325,000	$ 0.50	April 3, 2027	7.51
175,000	-		-	175,000	$ 0.50	June 21, 2027	7.73
2,015,000	-		15,000	2,000,000	$ 0.30	January 8, 2028	8.28
100,000	-		-	100,000	$ 0.21	August 1, 2028	8.84
-	2,322,000	90,000	48,000	2,184,000	$ 0.15	Dec 17, 2028	9.22
	4,300,000		-	4,300,000	$ 0.30	August 27, 2029	9.92
6,250,000	6,622,000	90,000	63,000	12,719,000	$ 0.38		8.63
			(Exercisable)	12,719,000	$ 0.38		

The fair value of stock options granted used to calculate compensation expense for both employees and non-employees is estimated using the Black-Scholes option pricing model. The weighted average fair value per option granted during the six months ended March 31, 2020 was $nil (2019 - $0.14). During the six months ended March 31, 2020, the Company recognized $nil (2019 - $330,791) in share-based payments expense for the fair value of the vested portion of stock options granted during the period and/or in prior periods.

The following weighted-average assumptions were used as inputs to the Black-Scholes model:

	March 31, 2020	March 31, 2019
Risk-free interest rate	N/A	2.02%
Expected volatility	N/A	148.21%
Expected life of options	N/A	10.0 years
Expected dividend yield	N/A	Nil

(e) Shares reserved for issuance (fully diluted):

	Number of shares
Issued and outstanding at March 31, 2020	144,595,374
Reserved for warrants (Note 12(c))	30,894,068
Reserved for options (Note 12(d))	12,659,000
Shares reserved for issuance (fully diluted) at March 31, 2020	188,148,442

13. Segmented information:

As at March 31, 2020 the Company currently operates in one segment being the acquisition and exploration and evaluation of resource assets located in British Columbia and Ontario, Canada, and Montana, USA, as described in Note 9.

14. Financial instruments and risk management:

Financial instruments

The Company's cash is classified at amortized cost. The carrying values of receivables and accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk:

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's receivables consist of amounts due from a Canadian government agency, and cash and restricted cash are held with a large and stable Canadian chartered bank. Management believes that credit risk related to these amounts is nominal.

(b) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities as they fall due. As of March 31, 2020, the Company had cash of $4,851,870 to settle current liabilities of $430,744. The Company has sufficient cash to settle current liabilities.

(c) 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.

(*i*) Interest rate risk:

The Company has cash balances and no interest-bearing debt. The Company's current policy is to keep larger cash balances invested in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company is nominally exposed to interest rate risk.

(*ii*) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at March 31, 2020, the Company had nominal cash on hand and payables denominated in US dollars.

14. Financial instruments and risk management (continued):

Financial risk factors (continued)

(c) Market risk (continued):

(*iii*) 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 and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. Subsequent event:

On May 5, 2020, the Company granted 2,650,000 options at an exercise price of $0.17 to employees, consultants, and directors of the Company. The options vest immediately and expire on May 5, 2030.