GT Gold Corp.
Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2020 and 2019
***(Expressed in Canadian** dollars) - Unaudited*

GTGOLD

Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2020 and December 31, 2019
(Expressed in Canadian dollars) – Unaudited

	Note	**June 30, 2020**	December 31, 2019
		$	$
Assets			
Current assets			
Cash and cash equivalents		**13,673,674**	15,314,386
GST receivable		**76,863**	1,100,692
Other receivables		**114,922**	117,837
Prepaids expenses and deposits		**309,875**	379,035
		14,175,334	16,911,950
Reclamation deposits	4	**113,263**	113,263
Exploration and evaluation assets	4	**2,314,494**	2,304,494
Buildings and equipment	5	**640,410**	505,172
Total assets		**17,243,501**	19,834,879
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		**502,906**	749,150
Accrued liabilities		**254,750**	275,500
Flow-through premium liability	6	**2,269,223**	2,919,057
Due to related parties	7	**79,716**	257,247
		3,106,595	4,200,954
Reclamation liability	4	**83,035**	82,155
Total liabilities		**3,189,630**	4,283,109
Shareholders' equity			
Share capital		**47,858,954**	45,653,144
Share-based payments reserve		**3,689,846**	3,750,862
Deficit		**(37,494,929)**	(33,852,236)
Total shareholders' equity		**14,053,871**	15,551,770
Total liabilities and shareholders' equity		**17,243,501**	19,834,879

Approved on behalf of the Board of Directors on August 27, 2020:

"Ashwath Mehra"	*"Paul Harbidge"*
Ashwath Mehra, Executive Chairman	Paul Harbidge, President, CEO and Director

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

GTGOLD

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and six months ended June 30, 2020 and 2019
(Expressed in Canadian dollars, except number of shares outstanding) - Unaudited

	Note	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
		$	$	**$**	$
Operating expenses					
Accounting and legal		**54,580**	62,617	**100,162**	145,205
Consulting fees		**49,408**	(32,232)	**93,613**	59,492
Depreciation	5	**21,557**	7,259	**34,954**	14,812
Directors' fees		**58,750**	47,000	**117,770**	99,017
Exploration expenditures	4	**1,408,178**	2,275,369	**2,377,459**	2,645,600
Filing and transfer fees		**75,823**	22,176	**135,444**	44,713
Investor relations and marketing		**18,584**	212,432	**167,245**	360,419
Office and miscellaneous		**49,571**	36,164	**132,226**	67,522
Salaries and wages		**245,292**	115,693	**408,554**	242,361
Share-based payments	8	**378,026**	316,369	**777,212**	927,040
Travel		**2,304**	2,590	**94,473**	4,768
		2,362,073	3,065,437	**4,439,112**	4,610,949
Loss from operations		**(2,362,073)**	(3,065,437)	**(4,439,112)**	(4,610,949)
Interest income		**54,390**	-	**146,585**	-
Amortization of flow-through share premium	6	**434,622**	660,310	**649,834**	660,310
Loss and comprehensive loss for the period		**(1,873,061)**	(2,405,127)	**(3,642,693)**	(3,950,639)
Loss per share					
Basic and diluted		**(0.01)**	(0.02)	**(0.03)**	(0.04)
Weighted average number of shares					
Basic and diluted		**126,025,152**	108,733,537	**125,490,454**	106,661,768

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

GTGOLD

Condensed Interim Consolidated Statements of Cash Flows
For the six months ended June 30, 2020 and 2019
(Expressed in Canadian dollars) - Unaudited

	2020	2019
	$	$
Operating activities		
Net loss for the period	**(3,642,693)**	(3,950,639)
Items not affecting cash:		
Depreciation	**34,954**	14,812
Share-based payments	**777,212**	927,040
Amortization of flow-through share premium	**(649,834)**	(660,310)
Accretion expense	**880**	-
Changes in non-cash working capital:		
GST receivable	**1,023,829**	(140,995)
Other receivables	**2,915**	84,250
Prepaid expenses	**69,160**	(13,091)
Trade and other payables	**(246,245)**	1,135,948
Accrued liabilities	**(20,750)**	-
Due to related parties	**(177,531)**	(91,508)
Net cash used in operating activities	**(2,828,103)**	(2,694,493)
Financing activities		
Proceeds from the issuance of flow-through shares	**-**	17,579,072
Proceeds from the exercise of options	**1,357,583**	-
Share issuance costs paid in cash	**-**	(250,000)
Net cash provided by financing activities	**1,357,583**	17,329,072
Investing activities		
Acquisition of buildings and equipment	**(170,192)**	(463,405)
Net cash used in investing activities	**(170,192)**	(463,405)
Net decrease in cash	**(1,640,712)**	14,171,174
Cash, beginning of the period	**15,314,386**	3,663,212
Cash, end of the period	**13,673,674**	17,834,386

Supplemental disclosure with respect to cash flows (Note 10)

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

GTGOLD

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Six months ended June 30, 2020 and 2019
(Expressed in Canadian dollars, except number of shares outstanding) – Unaudited

	Number of shares	Amount	Share-based payments reserve	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance at December 31, 2018	**104,566,979**	**27,026,919**	**1,749,303**	**(22,442,551)**	**6,333,671**
Issued in private placement of flow-through shares (Note 8(b))	11,489,601	17,579,072	-	-	17,579,072
Flow-through premium (Note 8(b))	-	(7,123,553)	-	-	(7,123,553)
Share issuance costs (Note 8(b))	-	(250,000)	-	-	(250,000)
Share-based payments (Note 8(c))	-	-	927,040	-	927,040
Net loss for the period	-	-	-	(3,950,639)	(3,950,639)
Balance at June 30, 2019	116,056,580	37,232,438	2,676,343	(26,393,190)	13,515,591
Issued in private placement (Note 8(b))	6,877,199	8,252,639	-	-	8,252,639
Issued pursuant to the exercise of options (Note 8(c))	499,999	372,993	(146,743)	-	226,250
Share issuance costs (Note 8(b))	-	(204,926)	-	-	(204,926)
Share-based payments (Note 8(c))	-	-	1,221,262	-	1,221,262
Net loss for the period	-	-	-	(7,459,046)	(7,459,046)
Balance at December 31, 2019	123,433,778	45,653,144	3,750,862	(33,852,236)	15,551,770
Issued pursuant to the exercise of options (Note 8(c))	2,916,666	2,195,810	(838,228)	-	1,357,582
Issued for exploration assets (Note 8(b))	10,000	10,000	-	-	10,000
Share-based payments (Note 8(c))	-	-	777,212	-	777,212
Net loss for the period	-	-	-	(3,642,693)	(3,642,693)
Balance at June 30, 2020	**126,360,444**	**47,858,954**	**3,689,846**	**(37,494,929)**	**14,053,871**

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

1) NATURE OF OPERATIONS

GT Gold Corp. (“GT Gold” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 9, 2013. The head office and principal address of GT Gold is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

The Company is listed on the TSX Venture Exchange and its common shares trade under the symbol GTT.V. The Company’s primary business is the acquisition and exploration of mineral properties, with a focus on British Columbia. The Company through its wholly-owned subsidiary, New Chris Minerals Ltd. (“New Chris”) owns the mineral concessions comprising the Tatogga Project (Note 4(b)) and the New Nanik Project (Note 4(c)).

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company’s project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company’s projects may also impact the Company’s ability to perform exploration activities at the projects.

2) BASIS OF PRESENTATION

a) Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, and International Financial Reporting Standards (“IFRS”). These interim financial statements should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended December 31, 2019, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These interim financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These interim financial statements incorporate the financial statements of the Company and its controlled subsidiary, New Chris. 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 interim financial statements include the accounts of the Company and its subsidiary. Intercompany balances, transactions, income and expenses are eliminated on consolidation. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties in Canada and all of its assets and liabilities are located in Canada.

These interim financial statements were prepared using accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2019.

These financial statements were approved by the Company’s Board of Directors on August 27, 2020.

3) SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of the interim financial statements. In addition, the preparation of the financial data requires that the Company's management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

In preparing the interim financial statements for the three and six months ended June 30, 2020, the Company applied the critical judgments and estimates disclosed in Note 3 of its audited consolidated financial statements for the year ended December 31, 2019 and the following amendments to accounting policies:

Amendments to IFRS 3 Definition of a Business
The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020. The Company will assess the impact of these amendments on future acquisitions to all business combinations and asset acquisitions.

(In Canadian dollars, except where noted) - Unaudited

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation asset acquisition costs:

	Tatogga	New Nanik	Total
	$	$	$
Balance at December 31, 2018	1,161,994	1,037,500	2,199,494
Additions – cash	105,000	-	105,000
Balance at December 31, 2019	1,266,994	1,037,500	2,304,494
Additions – common shares	10,000	-	10,000
Balance at June 30, 2020	**1,276,994**	**1,037,500**	**2,314,494**

a) Reclamation Deposits

As at June 30, 2020, the Company has a total of $113,263 (December 31, 2019 - $113,263) in reclamation deposits held pursuant to a Safekeeping Agreement with the Province of British Columbia.

b) Tatogga Property, British Columbia

The Company (through New Chris) entered into an option agreement dated June 13, 2011, and as amended March 25, 2014, June 10, 2016 and October 18, 2016, with Richard Billingsley, Gaye Richards and 0886260 B.C. Ltd. (collectively, the “Optionors A”). The Optionors A granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims situated in the Red Chris (Iskut) region of northwestern British Columbia now known as the “Tatogga South Block” and encompassing the Saddle South gold-silver discovery, Saddle North copper-gold discovery and Pass Gossan prospect. As at June 30, 2020, in order to keep the option in good standing, the Company is required to make remaining staged cash payments to the Optionors A as follows:

- $25,000 on signing (paid);
- $50,000 on November 22, 2016 (paid);
- $50,000 on November 22, 2017 (paid);
- $100,000 on November 22, 2018 (paid);
- $100,000 on November 22, 2019 (paid); and
- $100,000 on November 22, 2020.

The Optionors A retain a 2% NSR royalty on all future production from the Tatogga South Block claims, but pursuant to the option agreement, the Company has the sole and exclusive right to purchase 1% of the NSR royalty for $1,500,000 within five years from the date that the Tatogga property attains commercial production.

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

On November 28, 2017, the Company entered into an option agreement with Edward Asp (the "Optionor"). The Optionor granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of additional mineral claims contiguous to the Tatogga Lake Property. As at June 30, 2020, in order to keep the option in good standing, the Company is required to make staged cash payments to the Optionor as follows:

- $7,500 on November 28, 2017 (paid);
- $5,000 on November 28, 2018 (paid);
- $5,000 on November 28, 2019 (paid); and
- $5,000 on November 28, 2020.

In addition to the cash consideration, the Company was required to issue 5,000 common shares to the Optionor in three separate tranches. 15,000 common shares have been issued to the Optionor to fulfill this requirement.

The Optionor retains a 2% NSR royalty on all future production from the claims, but pursuant to the option agreement, the Company has the sole and exclusive option to repurchase the NSR royalty for a price of $250,000 at any time.

As at June 30, 2020, the Company has a reclamation liability of $82,155, including $880 in accretion recorded as a miscellaneous Tatogga exploration expense in the six months ended June 30, 2020, relating to the Tatogga property. The undiscounted amount of estimated cash flows was estimated at $100,000. The liability was estimated using an expected life of 9 years and a risk-free discount rate of 2%.

c) New Nanik Property, British Columbia

The Company (through New Chris) entered into an option agreement dated April 24, 2012, and as amended March 20, 2014, June 1, 2016, June 10, 2016 and October 18, 2016, with Richard Billingsley and Gaye Richards (collectively, the "Optionors B"). The Optionors B granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims known as the New Nanik property, situated in west-central British Columbia approximately 100 kilometres southeast of Terrace.

The company was required to make staged cash payments totalling $225,000 to the Optionors B in connection with the option agreement. On April 19, 2018 the Company met the option requirements and assumed 100% legal title to the New Nanik property. In connection with the agreement the Company will be required to pay to the Optionors B a 2% NSR royalty on all future production from the New Nanik claims.

(In Canadian dollars, except where noted) - Unaudited

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

The following table provides a summary of exploration and evaluation expenditure costs for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Tatogga Property				
Camp costs	**336,767**	538,391	**442,576**	548,510
Drilling expenditures	**10,529**	538,237	**10,529**	538,237
Assaying	**90,647**	262,232	**218,815**	325,605
Geochemical	**16,807**	12,553	**18,307**	36,353
Geophysics	**-**	115,722	**-**	115,722
Study costs	**480,548**	-	**985,074**	-
Environmental and permitting	**6,382**	12,456	**50,805**	28,810
Geological consulting	**175,484**	120,123	**249,389**	229,145
Metallurgy	**102,425**	10,383	**110,682**	22,161
Aircraft	**31,266**	308,423	**59,494**	308,423
Miscellaneous	**157,323**	356,849	**230,657**	492,634
Total Tatogga	**1,408,178**	2,275,369	**2,376,328**	2,645,600
New Nanik Property				
Claims staking and maintenance	**-**	-	**1,131**	-
Total New Nanik	**-**	-	**1,131**	-
Total Expenditures	**1,408,178**	2,275,369	**2,377,459**	2,645,600

(In Canadian dollars, except where noted) - Unaudited

5) BUILDINGS AND EQUIPMENT

	Computer hardware	Field equipment	Tank and fuel equipment	Buildings	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2018	15,091	16,922	25,821	-	57,834
Additions	-	-	-	508,404	508,404
Balance at December 31, 2019	**15,091**	**16,922**	**25,821**	**508,404**	**566,238**
Additions	100,277	48,332	15,125	6,458	170,192
Balance at June 30, 2020	**115,368**	**65,254**	**40,946**	**514,862**	**736,430**
Accumulated depreciation					
Balance at December 31, 2018	10,222	12,588	7,374	-	30,184
Additions	2,176	802	3,423	24,481	30,882
Balance at December 31, 2019	12,398	13,390	10,797	24,481	61,066
Additions	7,584	1,552	1,843	23,975	34,954
Balance at June 30, 2020	**19,982**	**14,942**	**12,640**	**48,456**	**96,020**
Net book value					
December 31, 2019	2,693	3,532	15,024	483,923	505,172
June 30, 2020	**95,386**	**50,312**	**28,306**	**466,406**	**640,410**

Buildings includes land with a value of $36,000 (December 31, 2019, $36,000) which is not subject to depreciation.

6) Flow-through share premium liability

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On May 29, 2019, the Company completed a strategic financing (Note 8(b)) for gross proceeds of $17,579,072 through the issuance of 11,489,601 flow-through common shares priced at $1.53 per flow-through common share. The flow-through shares were issued at a premium of $0.62 per share.

As at June 30, 2020, the Company has expended $11,979,234 of the funds from the flow-through offering and therefore has a flow-through share premium liability of $2,269,223 (December 31, 2019 - $ 2,919,057).

(In Canadian dollars, except where noted) - Unaudited

6) Flow-through share premium liability (continued)

Below is a summary of the flow-through financing and the related flow-through share premium liability:

	Shares issued	Flow-through share price $	Premium per flow-through share $	Flow-through premium liability $
May 29, 2019	11,489,601	1.53	0.62	7,123,553

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and expenditures $	Flow-through premium liability $
Balance at December 31, 2018	**-**	**-**
Flow-through funds raised	17,579,090	7,123,553
Flow-through eligible expenditures	(10,375,609)	(4,204,495)
Balance at December 31, 2019	**7,203,481**	**2,919,057**
Flow-through eligible expenditures	(1,603,625)	(649,834)
Balance at June 30, 2020	**5,599,856**	**2,269,223**

7) RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2020 and 2019, the Company entered into the following transactions in the ordinary course of business with a related party that is not a subsidiary of the Company.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
CJ Greig & Associates Ltd.	**307,255**	53,326	**797,987**	544,058

The Company uses CJ Greig & Associates Ltd. (“CJ Greig”), a company controlled by its Vice President, Exploration, for field and office work for its exploration activities. As at June 30, 2020, the balance owing to CJ Greig was $79,716 (December 31, 2019 - $257,247). Such amount is unsecured, non-interest bearing and with no fixed terms of payment.

(In Canadian dollars, except where noted) - Unaudited

7) RELATED PARTY TRANSACTIONS (continued)

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2020 and 2019 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Directors fees	**58,750**	47,013	**117,500**	104,032
Salaries	**275,000**	32,308	**431,250**	86,391
Consulting fees	**-**	19,980	**-**	47,460
Share-based payments	**337,642**	244,729	**718,428**	750,359
	671,392	344,030	**1,267,178**	988,242

8) SHARE CAPITAL

a) Authorized Share Capital

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

b) Share Issuances

During the six months ended June 30, 2020, the Company had the following share transactions:

- Issued 2,916,666 common shares for gross proceeds of $1,357,583 in connection with the exercise of stock options.
- Issued 10,000 common shares with a value of $10,000 for exploration and evaluation assets.

During the year ended December 31, 2019, the Company had the following share transactions:

- On May 29, 2019, the Company announced it had closed its $17,579,072 financing and strategic investment by Newmont Corporation ("Newmont"). The financing consisted of a $17,590,072 private placement of 11,489,601 flow-through common shares (Note 6) priced at $1.53 per flow-through common share. Pursuant to the financing, Newmont agreed to acquire 11,489,601 common shares as a back-end purchaser. Upon completion of the offering, Newmont owned 9.9% of the Company's outstanding shares. In connection with the financing, the Company paid share issuance costs totaling $374,297.
- On December 12, 2019, the Company announced it had closed its $8,252,639 financing and strategic investment by Newmont. The financing consisted of a private placement of 6,877,199 common shares priced at $1.20 per share for total consideration of $8,252,639. Upon completion of the offering, Newmont owned 14.9% of the issued and outstanding shares of the Company and 13.55% of the shares of the Company on a diluted basis. In connection with the financing, the Company paid share issuance costs totaling $80,629.
- Issued 499,999 common shares for gross proceeds of $226,250 in connection with the exercise of stock options.

(In Canadian dollars, except where noted) - Unaudited

8) SHARE CAPITAL (continued)

c) Stock Options

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

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

	Number of options	Weighted average exercise price
	#	$
Balance at December 31, 2018	8,296,667	0.53
Granted	4,620,000	0.99
Exercised	(499,999)	0.45
Expired	(110,000)	1.14
Cancelled	(346,667)	1.26
Balance at December 31, 2019	11,960,001	0.68
Granted	1,158,384	1.35
Exercised	(2,916,666)	0.47
Cancelled	(191,668)	1.02
Balance at June 30, 2020	**10,010,051**	**0.82**

(In Canadian dollars, except where noted) - Unaudited

8) SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable at June 30, 2020 is presented below:

Expiry date	Exercise prices	Options outstanding	Options exercisable
	$	#	#
November 10, 2021	0.15 – 0.30	2,500,000	2,500,000
January 26, 2023	0.60 – 0.80	1,130,000	1,130,000
June 13, 2023	0.86 – 1.06	1,100,000	1,100,000
March 19, 2024	0.74 – 0.94	1,571,667	1,003,329
August 30, 2024	1.19 – 1.39	1,200,000	400,000
October 7, 2024	0.92 – 1.12	450,000	150,000
October 11, 2024	0.86 – 1.06	600,000	200,000
November 1, 2024	0.73	300,000	100,000
February 10, 2025	1.35	1,119,384	-
May 6, 2025	1.40	39,000	-
		10,010,051	**6,583,329**

The weighted average remaining contractual life of options outstanding is 3.16 years.

During the six months ended June 30, 2020, the Company granted a total of 1,158,384 stock options (2019 – 2,070,000) with a total fair value of $2,983,158 (2019 – $2,282,496). The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

	2020	2019
Expected life	**5.00 years**	5.00 years
Expected volatility	**65%**	100%
Risk-free rate	**1.44%**	2.00%
Dividend yield	**Nil**	Nil
Forfeiture rate	**3%**	3%

During the six months ended June 30, 2020 and 2019, the Company recorded $777,212 and $927,040, respectively of share-based payment expense relating to vesting of stock options. During the three months ended June 30, 2020 and 2019, the Company recorded $378,026 and $316,369, respectively of share-based payment expense relating to vesting of stock options.

d) Loss per share

All the outstanding share options at June 30, 2020 and 2019 were anti-dilutive for the periods then ended as the Company was in a loss position.

9) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

a) Credit Risk

The Company's primary exposure to credit risk is potential liquidity constraints on cash and cash equivalents amounting to $13,673,674 at June 30, 2020 (December 31, 2019 - $15,314,386). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

b) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its financial institution. The Company is not currently exposed to any material interest rate risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

d) Market and Currency Risk

The Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

e) Fair Value of Financial Instruments

The fair values of the Company's financial assets and liabilities approximates their carrying amounts unless otherwise noted. 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.

(In Canadian dollars, except where noted) - Unaudited

9) FINANCIAL INSTRUMENT RISKS (continued)

At June 30, 2020, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the consolidated statement of financial position at fair value on a recurring basis are categorized as follows:

	Category	At June 30, 2020
Cash and cash equivalents	Level 1	$13,673,674

During the six months ended June 30, 2020 and 2019, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

10) SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's cash and cash equivalents as at June 30, 2020 comprises $2,668,183 of cash and $11,005,491 of cash equivalents (December 31, 2019, $10,308,895 and $5,005,491, respectively).

During the six months ended June 30, 2020 the Company had the following non-cash transactions:

- The Company reclassified $838,228 from the share-based payment reserve to share capital in connection with stock options exercised.
- The Company issued common shares with a fair value of $10,000 for exploration and evaluation assets.

There were no non-cash transactions during the six months ended June 30, 2019.