EMGOLD MINING CORPORATION

(AN EXPLORATION STAGE COMPANY)

UNAUDITED CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020 AND 2019

Stated in US Dollars

Table of Contents

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

	Note	As at March 31 2020	As at December 31 2019
ASSETS			
Current assets			
Cash		$ **89,914**	$ 160,361
Amounts receivable	5	**91,884**	143,526
Assets held for sale	7	**-**	2
Marketable securities	6	**937,782**	516,168
Prepaid expenses		**133,842**	160,682
Due from related parties	9	**39,597**	18,738
		1,293,019	999,477
Non-current assets			
Deposit		**4,500**	4,500
Exploration and evaluation assets	8	**2,392,554**	2,121,248
Reclamation bonds		**18,537**	18,037
Right-of-use asset	12	**63,741**	69,604
		2,479,332	2,213,389
Total Assets		$ **3,772,351**	$ 3,212,866
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**396,938**	550,875
Due to related parties	9	**475,824**	393,852
Flow-through share premium liability	11	**82,235**	88,043
Lease liability	12	**20,291**	21,302
Warrant liability	10	**133,925**	443,488
		1,109,213	**1,497,560**
Lease liability	12	**24,677**	25,909
Total liabilities		**1,133,890**	**1,523,469**
SHAREHOLDERS' EQUITY			
Share capital	10	**47,523,994**	47,264,277
Warrants - reserve	10	**803,764**	803,764
Options - reserve	10	**7,529,623**	7,348,039
Accumulated Deficit		**(53,218,920)**	(53,726,683)
		2,638,461	1,689,397
Total liabilities and equity		$ **3,772,351**	$ 3,212,866

Nature of operations and going concern (Note 1)
Events after the Reporting Period (Note 16)

Approved and authorized for issuance by the board of directors on July 13, 2020

"David Watkinson" — David Watkinson, Director

Andrew MacRitchie — Andrew MacRitchie, Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Note	Three months ended March 31, 2020	2019
EXPENSES			
Exploration and Evaluation			
Resource property expense	8	$ 81,692	$ 85,974
General and Administrative			
Advertising and promotion		24,833	1,522
Banking costs		626	233
Depreciation of right-of-use asset	12	5,863	–
Insurance		3,398	4,681
Listing and filing fees		14,935	7,556
Management and consulting		119,705	252,600
Professional fees		25,899	31,257
Office and administration		4,599	2,899
Rent		4,500	9,410
Share based compensation	10	181,584	–
Travel		16,735	9,817
Net Loss Before Other Items		(484,369)	(405,949)
Other Items			
Sublet income		4,350	3,600
Other income		10,000	–
Amortization of flow-through share premium liability	11	–	2,399
Financing charges		(106)	(11,105)
Lease liability accetion expense	12	(1,821)	–
Foreign exchange gain		3,547	2,446
Gain on disposition of assets	7	504,404	9,404
Gain on disposition of marketable securities	6	18,202	–
Fair value adjustment for marketable securities	6	143,993	714,703
Fair value adjustments for warrant liability	10	309,563	(115,102)
Income (Loss) and comprehensive income (loss)		507,763	200,396
Earnings per share, basic and diluted		0.01	0.01
Weighted average number of common shares outstanding - basic and diluted		66,358,924	36,915,020

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of Outstanding Shares	Share Capital	Number of Outstanding Warrants	Reserves Warrants	Number of Outstanding Options	Reserves Options	Deficit	Shareholders' Equity
Balance, December 31, 2018	35,393,420	$ 45,622,784	11,508,431	$ 701,802	3,000,000	$ 7,215,227	$ (51,219,772)	$ 2,320,041
Shares issued for properties	807,692	39,495	–	–	–	–	–	39,495
Private Placement - Non flow-through (net of issuance costs)	6,097,900	221,026	6,149,900	2,711	–	–	–	223,737
Comprehensive income for the period	–	–	–	–	–	–	200,396	200,396
Balance, March 31, 2019	42,299,012	45,883,305	17,658,331	704,513	3,000,000	7,215,227	(51,019,376)	2,783,669
Balance, December 31, 2019	62,276,506	$ 47,264,277	28,485,233	$ 803,764	3,625,000	$ 7,348,039	$ (53,726,683)	$ 1,689,397
Shares issued for properties	**4,000,000**	**246,305**	**–**	**–**	**–**	**–**	**–**	**246,305**
Shares issued for service	**250,000**	**13,412**	**–**	**–**	**–**	**–**	**–**	**13,412**
Options granted	**–**	**–**	**–**	**–**	**3,000,000**	**181,584**	**–**	**181,584**
Comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**507,763**	**507,763**
Balance, March 31, 2020	**66,526,506**	**$ 47,523,994**	**28,485,233**	**$ 803,764**	**6,625,000**	**$ 7,529,623**	**$ (53,218,920)**	**$ 2,638,461**

CONSOLIDATED STATEMENT OF CASHFLOWS

	Three months ended March 31, 2020	2019
	$	$
Operating activities		
Income (Loss) for the period	**507,763**	200,396
Items not affecting cash:		
Amortization of flow-through share premium liability	**–**	(2,399)
Depreciation of right-of-use assets	**5,863**	–
Lease liability accretion expense	**1,821**	–
Unrealized foreign exchange loss	**33,379**	–
Fair value adjustment for marketable securities	**(143,993)**	(714,703)
Fair value adjustments for warrant liability	**(309,563)**	115,102
Gain on disposition of assets	**(504,404)**	(9,404)
Gain on disposition of marketable securities	**(18,202)**	–
Share issued for service	**13,412**	–
Share-based compensation	**181,584**	–
Changes in non-cash operating working capital		
Amounts receivable	**50,195**	(4,909)
Prepaid expenses and deposits	**26,840**	(117,505)
Accounts payable and accrued liabilities	**(154,437)**	(66,365)
Due to related parties	**61,113**	(85,768)
Cash used in operating activities	**(248,629)**	(685,555)
Investing activities		
Resource properties royalty payments received	**–**	(41,864)
Proceeds from sale of mineral property	**68,980**	192,858
Proceeds from sale of marketable securities	**129,259**	–
Acquisition of mineral properpties	**(25,000)**	(381,511)
Cash provided by (used in) investing activities	**173,239**	(230,517)
Financing activities		
Net proceeds from units issued for cash	**–**	1,382,009
Cash provided by financing activities	**–**	1,382,009
(Decrease) Increase in cash	**(75,390)**	465,937
Exchange difference on cash	**4,943**	–
Cash, beginning of year	**160,361**	18,572
Cash, end of period	**89,914**	484,509
Schedule of Non-cash Investing and Financing Transactions		
Shares issued for mineral property acquisitions	$ 246,306	$ 959,789
Selling proceeds received in shares and warrants	$ 435,426	$ –

1. Nature of operations and going concern

Emgold Mining Corporation ("the Company" or "Emgold") is incorporated under the British Columbia Corporations Act and the principle place of business is located at 1015 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company's business model is to acquire, explore, and divest of mineral property interests (an A&D model) with the goal of creating value for our shareholders. Acquisitions or divestitures could be purchase or sale of assets, option or joint venture of assets, royalty transaction, or other business transactions that are a fit for a specific asset. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol EMR, the OTC Market under the symbol EGMCF, and the Frankfurt ("FRA") and Berlin ("BSE") Stock Exchanges under the symbol EMLM.

These audited consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize the potential of its assets and discharge its liabilities in the normal course of operations. The Company currently has a negative operating cash flow and has incurred operating losses since inception. The Company generates revenue by the sale of common shares of public mining companies it owns, revenue generated by the sale, joint venture, option, or other transactions related to its assets, or through equity financings, where the amount or timing of revenue cannot be guaranteed.

The Company is currently unable to self-finance 100% of its planned operations for the 2020 fiscal year and has on-going cash needs to meet its overhead requirements, maintain its exploration assets, and complete planned exploration activities. The generation of revenue form it exploration assets is dependent upon several factors, which include the discovery and/or expansion of mineral resources or reserves on each of its properties, the ability of the Company to obtain the necessary financing to advance exploration on these properties, the ability of the Company to make property, advance royalty, or claim maintenance payments to hold these properties, or the completion of transactions with third parties that generate revenue in the short and long term. The generation of revenue from equity financings is dependent upon several factors including the impact of Covid-19 on financial markets, the price of gold, and other impacts to financial markets that are beyond the control of the Company.

As at March 31, 2020, the Company had working capital of $183,806 (December 31, 2019 working capital - $498,083) and an accumulated deficit of $53,218,920 (December 31, 2019 - $53,726,683) and expects to incur further loss in the development of its business. For the Company to continue to operate as a going concern it must obtain additional revenue; there can be no assurance that this will continue in the future. As a result, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. Basis of Preparation

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 13, 2020.

b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. Summary of Significant Accounting Policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a summary of significant accounting policies, please refer to the Company's audited annual financial statements for the year ended 31 December 2019.

3. Critical accounting judgement and key sources estimation uncertainty

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

a) Critical judgments in applying accounting policies

Going concern assumption

These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. Refer to note 1 for more details.

Determination of functional currency

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its wholly owned subsidiaries is the US dollar. The assessment of the Company's functional currency and the functional currency of its subsidiaries involves judgment regarding the primary economic environment the Company and its subsidiaries operate in.

Exploration and evaluation assets

The Company makes certain judgements and assumptions regarding indicators of impairment and the recoverability of the carrying values of exploration and evaluation assets. Management has assessed for impairment indicators for the Company's properties and has concluded that no indicators of impairment as at March 31, 2020.

b) Key sources of estimation uncertainty

Share based payments and fair value of warrants

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3. The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The following assumptions are used in the model: dividend yield; expected volatility; risk-free interest rate and expected option life.

Changes to assumptions used to determine the grant date fair value of share-based compensation awards can affect the amounts recognized in the consolidated financial statements.

The inputs used in the IFRS 16 accounting

The significant judgments, estimates, and assumptions made by management applied in the preparation of these consolidated financial statements, specifically as they relate to IFRS 16 Leases, primarily included evaluating the appropriate discount rate to use to discount the lease liability for each lease, as well as determining the lease term, when the lease contained an extension option, and assessing if the Company was reasonably certain that it would exercise the extension option. Significant judgments, estimates, and assumptions over both factors would affect the present value of the lease liabilities upon adoption of the new accounting standard, as well as the associated value of the right-of-use assets.

Fair value of warrants derivative

The Company has determined that its functional currency is the US dollar and has issued warrants with exercise price fixed in Canadian Dollar. The Company measures the cost of the warrants derivative by reference to the fair value on the grant date and revalues them at each reporting date. In determining the fair value of the warrants, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate; market price at the reporting date; risk-free interest rate; the remaining expected life of the warrant and an exchange rate at the reporting date. The inputs used in the Black-Scholes model are taken from observable markets.

Changes to assumptions used can affect the amounts recognized in the consolidated financial statements.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

4. Financial instruments and risk management

a) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classifications:

Financial assets	Classification
Cash	Amortized cost
Marketable securities	FVTPL
Reclamation bonds	Amortized cost
Accounts receivable excludes goods and services tax	Amortized cost
Due from related parties	Amortized cost

Financial liabilities	Classification
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liability	Amortized cost
Warrant liability	FVTPL

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Income in the period in which they arise.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

b) Fair values

Financial instruments of the Company carried on the Consolidated Statements of Financial Position are carried at amortized cost with the exception of marketable securities and warrant liabilities, which are carried at fair value. There are no significant differences between the carrying value of these financial instruments carried at amortized cost and their estimated fair values as at March 31, 2020 and 2019 due to the short term nature of the instruments.

Financial instruments recorded at fair value on the Consolidated Statements of Financial Position are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities were considered to be classified as Level 1 and warrant liabilities were classified as Level 3. There have been no changes between levels during the year.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company's marketable securities is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts and share subscription receivable (Note 6). The Company's bank accounts are held with major banks in Canada, accordingly the Company believes it is not exposed to significant credit risk. Share subscription receivable was owed by subscribers to the Company's private placements. Credit risk related to share subscription receivable was assessed as low.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is nominally exposed to interest rate risk.

f) Foreign exchange risk

The functional currency of the Company and its subsidiaries is US dollar. Most of the foreign exchange risk is related to Canadian dollar denominated financial instruments held by the Company.

The Company does not hedge its exposure to currency fluctuations. To manage this risk, the Company maintains only the budget amount of foreign cash required to fund its near-term exploration expenditures.

The US dollars equivalent balances denominated in Canadian dollars at March 31, 2020 and December 31, 2019 are as follows:

Rounded (000's)		March 31, 2020		December 31, 2019
Cash	**$**	**47,000**	$	133,000
Marketable securities		**938,000**		516,000
Accounts receivable excludes sales taxes receivable		**16,000**		17,000
Due from related parties		**8,000**		15,000
Accounts payable and accrued liabilities		**(243,000)**		(505,000)
Due to related parties		**–**		(3,000)
Lease liability		**(45,000)**		(47,000)
Warrant liabilities		**(134,000)**		(443,000)
	$	**587,000**	$	(317,000)

Based on the net exposure at March 31, 2020 and 2019, a 5% depreciation or appreciation in Canadian dollar against US dollar would result in a gain or loss of $38,000.

g) Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

In US Dollars, unless otherwise stated

5. Accounts receivable

The Company's receivables arise from subscription receivable (note 11(b)), other receivable and goods and services tax from government taxation authority as follows:

		March 31, 2020		December 31, 2019
Goods and services tax	$	**50,012**	$	124,620
Share subscription receivable		**15,683**		17,130
Other receivable		**26,189**		1,776
	$	**91,884**	$	143,526

6. Marketable securities

As at March 31, 2020, the fair value of its current holdings was $937,782 (December 31, 2019 - $516,168) and the negative change of fair value adjustment of $143,993 for the period ended March 31, 2020 (March 31, 2019 – positive change of fair value adjustment of $714,703).

7. Assets held for sale

On February 25, 2020, the Company signed a Property Acquisition Agreement and will sell its Stewart and Rozan Properties, located in British Columbia, to Ximen Mining Corporation (TSXV: XIM, OTCQB: XXMMF, FRA: 1XMA) ("Ximen").

The key terms of the Property Acquisition Agreement are as follows:

- CDN$100,000 paid to the Company in cash at closing;
- 1.275 million Ximen shares issued to the Company on March 12, 2020;
- 1.275 million share purchase warrants provided to the Company on March 12, 2020 allowing the Company to purchase common shares of Ximen at a price of CDN$0.45 per unit exercisable for a period of 3 years, increasing to CDN$0.55 per unit and exercisable in years 4 and 5; The fair value of these warrants were $167,875 on the initial issuance date on March 12, 2020 and $219,215 on March 31, 2020;
- the Company is in the process of transferring any B.C. Portable Assessment Credits related to exploration on Stewart and Rozan to Ximen as part of the transaction.

The Company recognized a gain on sale of these assets of $504,404 during the period ended March 31, 2020.

Balance at December 31, 2019	**$**	**2**
Rozan and Stewart BC Properties sold		**(2)**
Balance at March 31, 2020	**$**	**–**

In US Dollars, unless otherwise stated

8. Exploration and evaluation assets

Property acquisition costs	Casa South, QC	East West, QC	New York Canyon, NV	Troilus North, QC	BC Claims	Mindora, NV	Golden Arrow, NV	Buckskin Rawhide - East, NV	Buckskin Rawhide - West, NV	Koegel Rawhide, NV	Total
Balance as at January 1, 2019	**$ –**	**$ –**	**$ –**	**$ –**	**$ 2**	**$ –**	**$ 537,870**	**$ 314,052**	**$ 140,029**	**$ 140,030**	**$ 1,131,983**
Acquisition Costs	112,677	–	–	–	–	–	25,000	–	–	–	137,677
Balance as at March 31, 2019	**$ 112,677**	**$ –**	**$ –**	**$ –**	**$ 2**	**$ –**	**$ 562,870**	**$ 314,052**	**$ 140,029**	**$ 140,030**	**$ 1,269,660**
Balance as at January 1, 2020	**$ 501,124**	**$ 57,746**	**$ 283,957**	**$ 56,440**	**$ –**	**$ 50,000**	**$ 587,870**	**$ 304,052**	**$ 140,029**	**$ 140,030**	**$ 2,121,248**
Acquisition Costs	–	246,306	–	–	–	50,000	–	–	–	–	296,306
Option payment received	–	–	(25,000)	–	–	–	–	–	–	–	(25,000)
Disposal	–	–	–	–	–	–	–	–	–	–	–
Balance as at March 31, 2020	**$ 501,124**	**$ 304,052**	**$ 258,957**	**$ 56,440**	**$ –**	**$ 100,000**	**$ 587,870**	**$ 304,052**	**$ 140,029**	**$ 140,030**	**$ 2,392,554**

Exploration & Evaluation Expenditure	Casa South, QC	East West, QC	New York Canyon, NV	Troilus North, QC	Other Prospects	Mindora, NV	Golden Arrow, NV	Buckskin Rawhide - East, NV	Buckskin Rawhide - West, NV	Koegel Rawhide, NV	Total
Balance as at January 1, 2019	**$ –**	**$ –**	**$ –**	**$ 315,600**	**$ 111,531**	**$ –**	**$ 148,267**	**$ 3,515**	**$ 9,749**	**$ 5,580**	**$ 594,242**
Carrying Costs	48,955	–	–	–	–	–	37,019	–	–	–	85,974
March 31, 2019	**$ 48,955**	**$ –**	**$ –**	**$ 315,600**	**$ 111,531**	**$ –**	**$ 185,286**	**$ 3,515**	**$ 9,749**	**$ 5,580**	**$ 680,216**
Balance as at January 1, 2020	**$ 648,947**	**$ 3,768**	**$ 87,365**	**$ 339,144**	**$ 206,726**	**$ 13,416**	**$ 399,510**	**$ 3,935**	**$ 13,476**	**$ 11,962**	**$ 1,728,249**
Claims Fee	11,093	–	1,251	–	378	3,196	–	–	–	–	15,918
Carrying Costs	–	(3,768)	–	–	(781)	–	40,810	–	–	–	36,261
General property search	–	–	7,549	–	–	–	21,724	–	120	120	29,513
Balance as at March 31, 2020	**$ 660,040**	**$ –**	**$ 96,165**	**$ 339,144**	**$ 206,323**	**$ 16,612**	**$ 462,044**	**$ 3,935**	**$ 13,596**	**$ 12,082**	**$ 1,809,941**

a) Golden Arrow Property, Nevada

The Company has a 100% interest in the Golden Arrow Property, an advanced stage exploration property, totaling 357 unpatented lode mining claims and 17 patented lode mining claims totaling 7,050 acres. A total of 166 unpatented mining claims are owned and a total of 191 unpatented mining claims are leased.

On October 9, 2018, Emgold completed the acquisition of the 51% interest in the property and also exercised its option to earn 100% interest after completing the $100,000 in aggregate cash payments and issuing Nevada Sunrise a total of 5.0 million common shares of Emgold.

Six unpatented claims are subject to and advance royalty payment of $25,000 per year and a 3% NSR upon production (2% can be purchased for $200,000). 351 unpatented mining claims are subject to a $25,000 per year advance royalty payment and a 3% NSR upon production, of which 1% can be purchased for $1 million. Seventeen patented mining claims are subject to a 1% NSR. Emgold has completed transferring the title and rights to all mineral claims and all reclamation bonds into Emgold's subsidiaries name, Golden Arrow Mining Corporation.

b) Casa South Property, Quebec

The Company has a 100% interest in the Casa South Property, an early stage exploration property consisting of 180 mining titles covering a total of 10,061 hectares. It is adjacent to Hecla Mining Corporation's (NYSE: HL) operating Casa Berardi Mine.

On July 29, 2019, the Company completed the 100% acquisition of the Casa South Property and the property was transferred into Emgold's name.

Cash and shares payments to the Vendors for the 100% acquisition of Casa South Property

On March 20, 2019, the Company closed the acquisition of the option to acquire up to a 91% interest in the property by obtaining final Exchange approval, by completing the first option payment of $75,000 to the Vendors, and making the share payment required under the Amended Assignment Agreement to the Assignor.

On March 19, 2019, the Company issued 807,692 common shares for settling CDN $52,500 finder's fee related to the acquisition of the mineral claims of Casa South, Quebec (see note 11(b)).

On July 29, 2019, the Company issued 4,000,000 units to the vendors of Casa South Property, Quebec whereby each unit consists of one common share and one half share purchase warrant exercisable at CDN$0.25/unit with a 2-year expiry term (see note 11(b)).

On October 15, 2019, the Company paid CDN$49,500 advisory fee related to the acquisition of the Casa South Property.

On February 5, 2020, Emgold announced that it expanded its Casa South Property, QC with the addition of 24 mineral claims totaling approximately 1,320 ha (3,260 ac). Nineteen claims expired in February 2020 and subsequent to the end of the reporting period, Emgold reached an agreement to re-acquire these claims. The total size of the Property is 204 claims totaling 11,400 ha (28,170 ac).

c) New York Canyon Property, Nevada

On July 8, 2019, the Company completed a Claim Purchase Agreement with Searchlight Resources Inc. (TSXV: SCLT) giving it the option to acquire a 100% interest the New York Canyon Property, subject to underlying royalties. The property includes 21 patented mineral claims and 60 unpatented mining claims totalling about 1,500 acres. Sixty unpatented claims are subject to a 2% NSR, 1% which can be purchased for $1 million. Eighteen patented claims are subject to a 1.75% NSR royalty capped at $2 million and a $0.50 per metric tonne royalty for decorative stone shipped or sold from the property capped at $0.5 million.

On November 15, 2019, the Company staked 92 additional claims, expanding the size of its recently optioned New York Canyon Property. Emgold now controls 152 unpatented and 21 patented mineral claims located in the Santa Fe Mining District, Mineral County, in west-central Nevada. As at December 31, 2019, the Company completed the CDN$50,000 payment due at closing of the transaction, and issued 2,941,176 common shares to Searchlight Resources Inc. (see note 11(b)).

As at December 31, 2019, the remaining commitment for completing the 100% interest acquisition includes three payments of C$100,000 each. Pursuant to the Claim Purchase Agreement, the Company had the option of accelerating the acquisition. If the outstanding payments (3 x CDN$100,000) were made on or before the 6 month anniversary of the closing of the Transaction, the Company would be entitled to a 25% discount on the outstanding balance, reducing the amount of the payment due to CDN$225,000.

Kennecott Joint Venture Agreement

On February 7, 2020, the Company signed an Earn-In with Option to Joint Venture Agreement with Kennecott Exploration Company ("Kennecott"), a subsidiary of Rio Tinto PLC (LSE: RIO:L, ASE: RIO.AX NYSE: RIO.N) for the New York Canyon Property. Kennecott can earn up to a 75% interest in the Property by completing US$22.5 million in exploration expenditures. Kennecott staked 265 unpatented mineral claims, expanding the Property to 21 patented and 417 unpatented mineral claims, totaling approximately 8,700 acres.

Under the terms of the Earn-In with Option to Joint Venture between the Company and Kennecott:

1. Kennecott will have an option (the "First Option") to acquire a 55% undivided interest in the Property by incurring $5.0 million in expenditures over a 5 year period, of which $1.0 million is a committed expenditure that must be completed prior to the 18 month anniversary of the Agreement.
2. Kennecott will have a second option (the "Second Option") to earn an additional 10% undivided interest in the Property (for a total of 65%) by incurring an additional S$7.5 million in expenditures over a 3 years period.
3. Kennecott will have a third option (the "Third Option") to earn an additional 10% undivided interest in the Property (for a total of 75%) by incurring an additional $10 million in expenditures over a 3 years period.
4. Any expenditure in excess of an option expenditure requirement in a given time period will be credited against subsequent option expenditure requirements. Kennecott may, at any time or from time to time, accelerate its satisfaction of the First, Second, or Third Option by paying the Company money in lieu of incurring expenditures.
5. While earning in, Kennecott will have the right to make exploration and development decisions.
6. Kennecott must maintain the Property in good standing during the option period(s), including payment of BLM and County maintenance fees and make any underlying property payments due to Searchlight.
7. Kennecott will have the right to elect to form a joint venture (the "Joint Venture") with the Company upon completion of either the First, Second, or Third Option. Upon establishing a Joint Venture each participant will fund the joint venture according to its participating interest, with Kennecott acting as the Manager of the joint venture. If a party's participating interest falls below 10%, then such parties participating interest will be converted to a 1% Net Smelter Royalty, capped at $25 million.

100% Acquisition from Searchlight

On March 11, 2020, Kennecott paid the remaining option payments of CDN$225,000 on behalf of the Company for the acquisition of 100% interest in New York Canyon Property. The CDN$225,000 payment was party of Kennecotts $1.0 million committed expenditure required prior to the 18 month anniversary of the Agreement.

d) East West Property, Quebec

On December 6, 2019, Emgold has signed a Claim Purchase and Option Agreement giving the Company the option (the "First Option") to acquire up to a 50% interest in the East-West Property, Quebec (the "Property") from a private individual (the "Vendor"). The remaining 50% interest in the Property is owned by Knick Exploration Inc. ("Knick") (TSXV: KNX). Emgold has also acquired a second option (the "Second Option") to increase its ownership in the Property to 55%, as outlined below.

On the closing date, the Vendor will grant to Emgold the First Option to acquire 50% ownership and title to the claims comprising the Property and all rights under pursuant to a sale agreement between the Vendor and Knick dated November 27, 2018, as amended on November 29, 2019 (together, the "Sale Agreement"). In exchange, Emgold shall pay the Vendor:

- 4,000,000 common shares in the share capital of Emgold (the "Share Consideration")(issued to the Vendor on January 3, 2020 the Closing Date);
- a cash payment of CAD$35,000 to be paid to the Vendor upon the three month anniversary of the Closing Date;
- a cash payment of CAD$50,000 to be paid to the Vendor upon the six month anniversary of the Closing Date; and
- a cash payment of CAD$50,000 to be paid to the Vendor upon the nine month anniversary of the Closing Date.

Upon completion of the share and cash payments, the Vendor's Property interest in the claims will be transferred to Emgold. Emgold will assume the Second Option to earn an additional 5% (total 55%) interest in the Property by completing, along with expenditures already completed by the Vendor, a total of CAD$200,000 in expenditures within three years of the original Sale Agreement between the Vendor and Knick dated November 27, 2018. Emgold will have the right and plans to become the operator of the Property during the First Option Period and potentially the Second Option. Upon completing the First or Second Option, at Emgold's discretion, an industry standard joint venture will be formed with Knick with Emgold as the operator.

Subsequent to the current period, the Company paid CDN$35,000 on May 5, 2020 related to the acquisition of East West Property.

e) Mindora Property, Nevada

On June 15, 2019, Emgold and Nevada Sunrise LLC ("Nevada Sunrise") entered into a claim purchase agreement for the purchase of 12 unpatented mining claims ("Mindora Claims of Nevada Sunrise") owned by Nevada Sunrise:

Emgold would pay Nevada Sunrise:

- $50,000 upon on closing date;
- $25,000 per year, for four years, with each payment due on subsequent anniversary dates of the signing date on June 15, 2019; and
- Total purchase price of $150,000.

On December 23, 2019, Emgold and Nevada Sunrise amended the payment term as follow:

- $25,000 due on or before December 31, 2019 (paid);
- $25,000 due on or before February 29, 2020 (paid); and
- $25,000 per year, for four years, with each payments due on subsequent anniversary dates of the signing date on June 15, 2019

On June 15, 2019, Emgold and BL Exploration LLC ("BL") entered into a claim purchase agreement for the purchase of 18 unpatented mining claims ("Mindora Extension Property") owned by BL:

Emgold would pay BL:

- Cash payment of $50,000 for the total purchase price upon closing date;
- Grant of $20,000 Advance Minimum Royalty ("AMR") per year and a 2% Net Smelter Royalty ("NSR") on the

- Mindora Extension Property; Any AMR shall be credited against future NSR payments. The AMR shall be due on each anniversary of the closing date on June 15, 2019; and
- Emgold would retain a first option to acquire half of the 2% NSR by making a payment of $200,000 on or before the 5th anniversary of the Closing Date. AMR remains at $20,000 per year.

If Emgold does not exercise the first option described above, Emgold would still retain a second option to acquire half of the 2% NSR by making a payment of $500,000 after the 5th anniversary and before the 9th anniversary of the Closing Date. AMR remains at $20,000 per year;

On December 23, 2019, Emgold and BL amended the payment term as follows:

- $25,000 due on or before December 31, 2019 (paid);
- $25,000 due on or before February 29, 2020 (paid); and
- No change to the AMR and NSR terms included in the original claim purchase agreement entered on June 15, 2019.

On December 23, 2019, Emgold and Nevada Sunrise amended the payment term as follows:

- $25,000 due on or before December 31, 2019 (paid);
- $25,000 due on or before February 29, 2020 (paid); and
- No other changes to the original claim purchase agreement entered on June 15, 2019.

f) Buckskin Rawhide East Property, Nevada

The Company has a 100% interest in the 48 unpatented mineral claims, totalling 960 acres, making up Buckskin Rawhide East Property. The claims are inlying claims to Rawhide Mining LLC's ("RMC") operating Rawhide Mien.

The Buckskin Rawhide Property is leased to RMC, owners of the Rawhide Mine, under the following terms:

1. The Lease Term is 20 years (start date of 01 June 2013)
2. Advance royalty payments will be $10,000 per year, paid by RMC to Emgold, with the first payment due at signing and subsequent payments due on the anniversary of the Lease Agreement.
3. During the Lease Term, RMC will make all underlying claim fees to keep the claims in good standing.
4. RMC will conduct a minimum of US$250,000 in exploration activities by the end of Year 1.
5. RMC will conduct an additional minimum of US$250,000 in exploration activities by the end of Year 3, for a total of US$500,000 in exploration activities by the end of Year 3.
6. RMC will have the option of earning a 100% interest in the property by bringing it into commercial production.
7. Upon bringing the property into commercial production, RMC will make "Bonus Payments" to Emgold. Bonus Payments will be US$15 per ounce of gold when the price of gold ranges between US$1,200 per ounce and US$1,799 per ounce. If the price of gold exceeds US$1,800 per ounce, the Bonus Payment will increase to US$20 per ounce.
8. After meeting its exploration requirements, should RMC subsequently elect to drop the property of decide not to advance it, the property will be returned to Emgold. Should Emgold subsequently advance the property into production, RMC shall then be entitled to the same type of Bonus Payments as contemplated in 7 above.

Under the terms of the lease agreement, RMC was to complete $500,000 in exploration related expenditures on the property by the third anniversary or June 1, 2016. However, as at June 1, 2016, RMC had completed only US$325,000 in exploration activities on the property.

On June 1, 2016, RMC and Emgold mutually agreed to amend the original Lease Agreement whereby RMC would pay

Emgold US$175,000, in seven quarterly payments of US$25,000, starting June 1, 2016, to keep the Lease Agreement in good standing. These payments were in lieu of completing the additional US$175,000 in exploration work required in the original Lease Agreement.

g) Buckskin Rawhide West Property, Nevada

The Company has a 100% interest acquisition in the Buckskin Rawhide West Property. On February 2013, the Company entered a Lease and Option to Purchase Agreement with Jeremy C. Wire to acquire the PC and RH mineral claims, located 0.3 miles west of Emgold's Buckskin Rawhide Property. Pursuant to the lease agreement, advance royalty payments or equivalent aggregate value in common shares having an equivalent market value were paid/issued to Jeremy C. Cash payment of$5,000 was paid and common shares of $5,000 was issued in 2012. Common shares of $10,000 were issued each year during 2013, and 2014, $20,000 in year 2015, and $30,000 each year in 2016, 2017, and 2018 (total $140,000) completed the acquisition of the property. The property is subject to a 2% Net Smelter Royalty, which can be purchased at any time for $1.0 million.

h) Koegel Rawhide, Nevada

Emgold has a 100% interest in the Koegel Rawhide Property. The property consists of the RHT and GEL claims, 19 unpatented lode mining claims totalling 380 acres, acquired from Jeremy C. Wire. In addition, Emgold staked 17 additional unpatented lode claims totalling 340 acres. In total, the 36 unpatented lode claims totalling 720 acres make up the Property.

In February 2012, the Company entered a Lease and Option to Purchase Agreement with Jeremy C. Wire to acquire the RHT and GEL claims, located four miles south of the Rawhide Mine in Mineral County, Nevada. Pursuant to the lease agreement, advance royalty payments or equivalent aggregate value in common shares having an equivalent market value were paid/issued to Jeremy C. Cash payment of$5,000 was paid and common shares of $5,000 was issued in 2012. Common shares of $10,000 were issued each year during 2013, and 2014, $20,000 in year 2015, and $30,000 each year in 2016, 2017, and 2018 (total $140,000) completed the acquisition of the property. The property is subject to a 2% Net Smelter royalty, which can be purchased at any time for $1.0 million.

i) Stewart Property, British Columbia

Prior to the sale of the property to Ximen Mining Corporation on February 25, 2020, the Company held a 100% interest in the Stewart mineral claims, near Ymir British Columbia, totalling 5,789 hectares and consisting of 28 mineral claims acquired from prospectors Jack and Eric Denny.

The property was subject to a 3% underlying NSR. The Company retained the right to purchase 2% of the underlying NSR by making a CDN$1.0 million payment to the underlying royalty holder. That right now transferred to Ximen.

The property was held through completed assessment work to January 2023 without additional assessment work being required. The property was impaired to $1 during the year ended December 31, 2015.

On February 25, 2020, the Company signed a Property Acquisition Agreement and will sell its Stewart and Rozan Properties, located in British Columbia, to Ximen Mining Corporation (TSXV: XIM, OTCQB: XXMMF, FRA: 1XMA) ("Ximen").

The key terms of the Property Acquisition Agreement are as follows:

a) CDN$100,000 paid to the Company in cash at closing;

b) 1.275 million Ximen shares issued to the Company at closing;

c) 1.275 million share purchase warrants provided to the Company at closing allowing the Company to purchase common shares of Ximen at a price of CDN$0.45 per unit exercisable for a period of 3 years, increasing to CDN$0.55 per unit and exercisable in years 4 and 5;

d) the Company will transfer any B.C. Portable Assessment Credits related to exploration on Stewart and Rozan to Ximen as part of the transaction.

j) Rozan Property, British Columbia

Prior to the sale of the property to Ximen Mining Corporation on February 25, 2020, the Company held a 100% interest in the Rozan mineral claims, near Ymir British Columbia, totalling 1,950 hectares and consisting 32 mineral claims acquired from prospectors Jack and Eric Denny.

The property was subject to a 3% underlying NSR. Emgold retained the right to purchase 2% of the underlying NSR by making a CDN$1.0 million payment to the underlying royalty holder. That right has now transferred to Ximen.

The property is held through completed assessment work to March 2023 without additional assessment work being required. The property has been impaired to $1 during the year ended December 31, 2015.

On February 25, 2020, the Company sold its Rozan mineral claims to Ximen Mining Corporation (Refer to note 9(i)).

k) Troilus North Royalty Interest, Quebec

In December 2018, Troilus Gold acquired Troilus North interest from the Company for CDN$250,000 in cash and 3.75 million Troilus Gold common shares. Two underlying royalties remained on the property (the "Troilus North Royalties"), including a 1% NSR granted to CAT Strategic Metals (formerly Chimata Gold Corporation) (CSE: CAT) ("CAT").

On December 9, 2019, the Company and CAT completed the assignment agreement whereby CAT assigned its rights in the Troilus North Royalty to the Company for a cash payment of CDN$75,000 (paid). Troilus Gold retains first option to acquire this 0.5% of this royalty for a cash payment of CDN$500,000 and a second option to acquire the remaining 0.5% of this royalty for an additional cash payment of CDN$500,000.

On April 29, 2020, the above assignment transaction was approved by TSX Venture Exchange.

In US Dollars, unless otherwise stated

9. Related party transactions

Related party transactions and balances not disclosed elsewhere in the consolidated financial statements are as follows:

Name and Principal Position	Period(i)		Remuneration or fees(ii)
	2020	**$**	**37,500**
David Watkinson, CEO and President – salary	2019	$	37,500
	2020	**$**	**12,000**
David Watkinson, CEO and President – benefits and allowance	2019	$	12,000
	2020	**$**	**52,962**
David Watkinson, CEO and President – Share-based compensation	2019	$	–
	2020	**$**	**30,000**
Robert Rosner, CFO and director – management fees	2019	$	30,000
	2020	**$**	**33,290**
Robert Rosner, CFO and director – Share-based compensation	2019	$	–
	2020	**$**	**–**
Andrew MacRitchie, Director – Director fees	2019	$	–
	2020	**$**	**28,751**
Andrew MacRitchie, Director – Share-based compensation	2019	$	–
	2020	**$**	**28,751**
Vincent Garibaldi, Director – Share-based compensation	2019	$	–
	2020	**$**	**7,401**
Steve Cozine, Corporate Secretary – Consulting fees	2019	$	2,235
	2020	**$**	**10,592**
Steve Cozine, Corporate Secretary – Share-based compensation	2019	$	–

(i) For the quarter ended March 31, 2020 and 2019.

(ii) Amounts disclosed were paid or accrued to the related party.

The following table reports amounts included in due to (from) related parties.

		March 31, 2020		December 31, 2019
David Watkinson, the CEO	**$**	**475,824**	$	414,589
Robert Rosner, the CFO		**(5,945)**		(15,945)
A company affiliated to CFO and Corporate Secretary		**(25,520)**		(20,737)
Steve Cozine, Corporate Secretary		**(8,132)**		(2,793)
	$	**436,227**	$	375,114

All related party balances are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

In US Dollars, unless otherwise stated

10. Share capital

a) Authorized

Unlimited - Number of common shares without par value. Unlimited - Number of preference shares without par value.

b) Common shares, issued and fully paid

During the three-month period ended March 31, 2020:

On January 3, 2020, the Company issued 4,000,000 common shares for acquiring 50% of mineral claims of East West Property, Quebec (See note 9(b)).

On January 13, 2020, the Company issued 250,000 common shares to Scharfe Holdings Inc. in exchange for the consulting service in the amount of $17,500.

During the three-month period March 31, 2019:

On March 8, 2019, the Company completed the first tranche of a non-flow-through private placement with an issuance of 5,447,900 units at CDN$0.12/unit. Each unit consists of one common share and one share purchase warrants exercisable at CDN$0.17/unit with a 2-year expiry term.

On March 19, 2019, the Company issued 807,692 common shares for settling $52,500 finder's fee related to the acquisition of the mineral claims of Casa South, Quebec.

On March 28, 2019, the Company completed the second tranche of a non-flow-through private placement with an issuance of 650,000 units at CDN$0.12/unit. Each unit consists of one common share and one share purchase warrants exercisable at CDN$0.17/unit with a 2-year expiry term. In addition, 52,000 share purchase warrants were issued to finders of this financing.

c) Stock options

The Company has a rolling stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The maximum aggregate number of common shares reserved for issuance pursuant to the plan is 10% of the issued and outstanding common shares.

Stock option activities during the three-month periods ended March 31, 2020 and 2019 are summarized as follows:

STOCK OPTION ACTIVITY	March 31, 2020		Weighted average exercise price (CDN$)	March 31, 2019		Weighted average exercise price (CDN$)
Options Outstanding and Exercisable						
Balance – beginning of year	**3,625,000**	**$**	**0.16**	3,000,000	$	0.15
Granted	**3,000,000**		**0.09**	–		–
Balance – end of year	**6,625,000**	**$**	**0.13**	3,000,000	$	0.15

Details of stock options outstanding as at March 31, 2020 are as follows:

In US Dollars, unless otherwise stated

Expiry Date	Exercise Price (CDN$)	March 31, 2020
November 19, 2023	$0.15	**2,600,000**
May 17, 2024	$0.20	**1,025,000**
January 30, 2025	$0.09	**3,000,000**
		6,625,000

On January 30, 2020, the Company granted 3,000,000 to directors, officers, employees, and consultants of the Company. The Options were vested immediately and exercisable at a price of CDN$0.08 per common share for a period of 5 years from the date of grant.

Share-based compensation relating to options granted and vested during the three-month period ended March 31, 2020 using the Black-Scholes option pricing model was $181,584 (2018 - $NIL), which was recorded as reserves on the consolidated statements of financial position and as share-based compensation expense on the consolidated statement of comprehensive income (loss). The associated share-based compensation expense for the options granted during the year was calculated based on the following weighted average assumptions: Risk free-interest rate – 1.34%; Dividend yield – 0.00%; Expected volatility – 444.0%; Expected life – 5.00 years

d) Warrants

Share purchase warrants activity during the three-month periods ended March 31, 2020 and 2018 are summarized as follows:

SHARE PURCHASE WARRANT ACTIVITY	March 31, 2020		Weighted average exercise price (CDN$)	March 31, 2019		Weighted average exercise price (CDN$)
Warrants Outstanding and Exercisable						
Balance – beginning of year	**28,485,233**	**$**	**0.18**	**11,508,431**	$	0.20
Granted	–		–	6,149,900		0.17
Balance – end of year	**28,485,233**	**$**	**0.18**	17,658,331	$	0.17

Details of share purchase warrants outstanding as at March 31, 2020 are as follows:

Expiry Date	Exercise Price (CDN$)	March 31, 2020	December 31, 2019
December 19, 2021	$0.08	**5,066,668**	5,066,668
July 17, 2021	$0.25	**2,000,000**	2,000,000
April 26, 2021	$0.17	**1,907,617**	1,907,617
April 5, 2021	$0.20	**80,000**	80,000
March 28, 2021	$0.17	**702,000**	702,000
March 8, 2021	$0.17	**5,447,900**	5,447,900
December 31, 2020	$0.25	**123,200**	123,200
December 20, 2020	$0.25	**2,212,308**	2,212,308
December 17, 2020	$0.15	**266,667**	266,667
October 4, 2020	$0.17	**900,000**	900,000
August 31, 2020	$0.25	**144,000**	144,000
August 28, 2020	$0.17	**3,100,000**	3,100,000
August 15, 2020	$0.25	**315,030**	315,030
August 10, 2020	$0.17	**2,595,499**	2,595,499
August 10, 2020	$0.25	**61,847**	61,847
July 10, 2020	$0.25	**1,443,464**	1,443,464
June 27, 2020	$0.25	**613,083**	613,083
May 10, 2020	$0.25	**868,450**	868,450
April 5, 2020	$0.25	**637,500**	637,500
		28,485,233	28,485,233

Movement related to the warrant liability resulted from the private placement subscribers' warrants (finders warrants are excluded from derivative liability calculation), for warrants priced in Canadian dollars, is as follows:

WARRANT LIABILITY (WARRANTS PRICED IN CANADIAN DOLLARS)	March 31, 2020		March 31, 2019	
	Number of Warrants	Fair Value	Number of Warrants	Fair Value
Balance – beginning of year	**25,608,822**	**$ 443,488**	**11,221,687**	$ 371,646
Issued	**–**	**–**	6,097,900	318,119
Fair value adjustments	**–**	**(309,563)**	–	115,102
Balance – end of period	**25,608,822**	**$ 133,925**	17,319,587	$ 804,867

During the three-month period ended March 31, 2020, the Company did not record any warrant liability arisen from new issuance (March 31, 2019 - $318,119).

The subscribers' warrants carried forward from the year ended December 31, 2019 were subsequently re-valued on the Company's reporting dates using the Black-Scholes option pricing model, with the following assumptions: weighted average risk free rate of 0.21% - 1.71%, volatility factors of 130% - 177% and an expected life of 1 month – 21 months. A fair value adjustments of warrant liability of $309,563 has been recorded for the three-month period ended March 31, 2020 (March 31, 2019 - $115,102). As at March 31, 2020, the Company had a warrant liability in the amount of $133,925 (December 31, 2019 - $443,488).

In US Dollars, unless otherwise stated

11. Flow-through shares premium liability

A summary of the changes in the Company's flow-through share premium liability was as follows:

Flow-through Share Premium Liability	March 31, 2020	March 31, 2019
Balance - beginning of the year	**$ 88,043**	$ 21,631
Foreign exchange	**(5,808)**	–
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	**–**	(2,399)
Balance - end of the period	**$ 82,235**	$ 19,232

Summary of renunciations related to the tranches for flow through share issuances during the three-month period ended March 31, 2020 are as follows:

During the three-month period ended March 31, 2020, CDN$14,483 were spent in relation to the flow through shares issued during the year ended December 31, 2019 and 2018.

Tranche 1 flow through share issued on April 5, 2019 for gross proceeds of CDN$ 255,000

As of the March 31, 2020, the gross proceeds of CDN$ 231,557 unspent and will be incurred prior to December 31, 2020.

Tranche 2 flow through share issued on May 10, 2019 for gross proceeds of CDN$ 310,500

As of the March 31, 2020, the gross proceeds of CDN$ 310,500 remained unspent and will be incurred prior to December 31, 2020.

Tranche 1 flow through share issued on December 17, 2019 for gross proceeds of CDN$ 350,000

As of the March 31, 2020, the gross proceeds of CDN$ 350,000 remained unspent and will be incurred prior to December 31, 2020.

In US Dollars, unless otherwise stated

12. Leases – right of use assets and lease liabilities

The Company leases a corporate office in Vancouver, BC from third parties under lease agreements on November 1, 2019 and the lease expires on October 31, 2022. Refer to Note 2 to audited financial statements for the year ended December 31, 2019. "Basis of Presentation and Summary of Significant Accounting Policies" for details regarding the 2019 adoption of IFRS 16.

Right-of-use assets

A summary of the changes in the right-of-use assets for the year ended March 31, 2020 is as follow:

Right-of-use assets		
Balance at January 1, 2020	**$**	**69,604**
Addition		**–**
Depreciation		**(5,863)**
Balance at March 31, 2020	**$**	**63,741**

Lease liabilities

On November 1, 2019, the Company entered into lease agreement which resulted in the lease liability of $72,752 (undiscounted value of $111,600, discount rate used is 15.95%). This liability represents the monthly lease payment from November 1, 2019 to October 31, 2022, the end of the lease term.

A summary of changes in lease liabilities during the three-month period ended March 31, 2020 is as follows:

Lease liabilities		
Balance at January 1, 2020	**$**	**47,211**
Lease liability accreation expense		**1,821**
Foreign exchange difference		**(4,047)**
Balance at March 31, 2020	**$**	**44,985**
Current portion	**$**	**20,291**
Long term portion	**$**	**24,677**

The following is a schedule of the Company's future lease payments under lease obligations:

Future lease payments		
2020	**$**	**26,221**
2021		**27,067**
Total undiscounted lease payments		**53,288**
Less: imputed interest		**(8,303)**
Total carry value of lease obligations	**$**	**44,985**

13. Capital disclosures

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

Management reviews its capital management approach on an on-going basis and believes that this approach is reasonable and appropriate relative to the size of the Company.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock or liability instruments, or through the sale of property, plant, and equipment. Capital raised is held in cash in an interest-bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the three-month period ended March 31, 2020 and December 31, 2019.

14. Segmented disclosure

The Company operates in one operating segment, which is acquisition, and exploration of mineral properties. The following provides segmented disclosure on the non-current assets:

SEGMENT DISCLOSURE (ROUNDED TO 000s)	Canada	United States	Total
March 31, 2020			
Long-term Assets			
Deposit	**$ –**	**$ 5,000**	**$ 5,000**
Exploration and Evaluation Assets	**$ 862,000**	**$ 1,531,000**	**$ 2,393,000**
Reclamation Deposit	**$ –**	**$ 19,000**	**$ 19,000**
Right-of-use asset	**$ 64,000**	**$ –**	**$ 64,000**
December 31, 2019			
Long-term Assets			
Deposit	$ –	$ 5,000	$ 5,000
Exploration and Evaluation Assets	$ 488,000	$ 644,000	$ 1,132,000
Reclamation Deposit	$ 10,000	$ 7,000	$ 17,000

15. Commitment

The Company entered into a lease 3 year lease agreement for office space in Vancouver on November 1, 2019. See Note 13 for additional details. There are arrangements with other companies that share rent and office expensed on a cost-recovery basis.

The Company has commitment related to the issuance of flow through shares. See Note 11 for a discussion of flow through expenditure commitments related to exploration assets.

16. Events after the reporting period

a) Expiry of Warrants

Subsequent to the end of the reporting period between April and June 2020, 2,119,033 share purchase warrants with an exercise price of CDN$0.25 were expired.

b) Covid-19

Subsequent to end of the reporting period, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets and oil prices have experienced significant volatility and weakness. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.