GRANADA GOLD MINE INC.

Condensed Interim Financial Statements

December 31, 2019
Unaudited

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December 31, 2019

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NOTICE TO READERS

The accompanying unaudited interim financial statements of Granada Gold Mine Inc. have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that its independent auditor has not performed a review of these condensed unaudited interim financial statements.

Signed 'Frank J. Basa"

Frank J. Basa, President

Signed "Thomas P. Devlin"

Thomas P. Devlin, Chief Financial Officer

GRANADA GOLD MINE INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2019 Unaudited	June 30, 2019 Audited
Assets		
Current assets		
Cash	$ 77,399	$ 168,267
Receivables	191,117	240,772
Prepaid expenses	1,000	1,000
Total current assets	269,516	410,039
Deposit - long-term (Note 5)	171,800	171,800
Property, plant and equipment (Note 7)	165,057	136,912
Total Assets	606,373	718,751
Liabilities		
Current liabilities		
Trade and other payables and provisions (Notes 9, 12)	5,405,828	5,446,446
Secured loans payable (Note 8)	1,488,926	1,464,926
Total Current Liabilities	6,894,754	6,911,372
Total Liabilities	6,894,754	6,911,372
Shareholders' Equity (Deficiency)		
Share capital (Note 10)	63,240,921	62,613,721
Reserves (Note 11)	3,870,679	3,729,725
Deficit	(73,399,981)	(72,536,067)
Total Shareholders' Equity (Deficiency)	(6,288,381)	(6,192,621)
Total Liabilities and Shareholders' Equity (Deficiency)	$ 606,373	$ 718,751

Nature of operations and going concern (Note 1)
Contingencies (Note 13)
Commitments (Note 14)
Subsequent events (Note 17)

APPROVED ON BEHALF OF THE BOARD

Signed "Frank Basa" ,Director

Signed "Jacques Monette" ,Director

GRANADA GOLD MINE INC.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended December 31. 2019	Three months ended December 31. 2018	Six months ended December 31. 2019	Six months ended December 31. 2018
Expenses				
Exploration and evaluation (Note 7)				
Assaying and testing	**$ 606**	$ 44,337	**$ 1,805**	$ 55,838
Consulting fees	**-**	4,000	**-**	7,719
Core analyses	**15,784**	63,065	**37,494**	71,401
Depreciation	**15,055**	9,648	**22,512**	19,297
Drilling	**(42,657)**	191,413	**(13,036)**	198,199
Equipment	**7,508**	36,333	**15,141**	66,459
Facility expenses	**35,785**	26,212	**52,193**	57,613
Geology, geophysics and surveys	**35,000**	35,000	**70,000**	76,386
Personnel costs	**43,794**	23,662	**62,728**	44,013
Program management and engineering	**173,884**	206,991	**296,324**	373,910
Security	**300**	300	**300**	300
Taxes, permits and licensing	**5,947**	6,032	**6,559**	6,910
	291,006	646,993	**552,020**	978,045
Corporate				
Administrative and general expenses	**11,398**	90,824	**20,035**	103,461
Financing Interest	**24,000**	16,000	**24,000**	32,000
Professional fees	**209,158**	259,142	**364,866**	423,965
Filing costs and shareholders' information	**92,558**	53,202	**121,994**	64,801
Travel	**9,369**	41,545	**17,467**	54,857
	346,483	460,713	**548,362**	679,084
Other items				
Equipment Rental	**(63,421)**	(62,721)	**(126,142)**	(144,259)
Interest and other income	**-**	-	**-**	(274)
Premium on flow-through shares	**-**	-	**-**	-
Stock-based compensation	**122,858**	-	**122,858**	-
Unrealized gain on marketable securities	**-**	1,217,656	**-**	1,217,656
(Gain) Loss on sale of properties	**-**	-	**-**	-
	59,437	1,154,935	**(3,284)**	1,073,123
Total expenses	**696,926**	2,262,641	**1,097,098**	2,730,252
Net and comprehensive gain (loss) for the period	**$ (696,926)**	**$ (2,262,641)**	**$ (1,097,098)**	**$ (2,730,252)**
Net loss per share - basic and fully diluted	**$ (0.01)**	$ (0.04)	**$ (0.01)**	$ (0.04)
Weighted average number of shares outstanding basic and fully diluted	**80,561,820**	64,388,668	**75,839,520**	62,022,517

GRANADA GOLD MINE INC.

Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital	Reserves	Deficit	Total Equity (Deficiency)
Balance June 30, 2018	$ 60,425,765	$ 4,667,842	$ (66,541,145)	$ (1,447,538)
Private placements	1,173,923	366,598	-	1,540,521
Premium on flow-through shares	(92,105)	-	-	(92,105)
Issue costs	(18,812)	(2,144)	-	(20,956)
Issued as compensation	-	15,000	-	15,000
Warrants expired	968,621	(968,621)	-	-
Loss for the 6 mons ended Dec 31, 2018	-	-	(2,730,262)	(2,730,262)
Balance December 31, 2018	62,457,392	4,078,675	(69,271,407)	(2,735,340)
Private placements	250,000	-	-	250,000
Premium on flow through shares	(41,667)	-	-	(41,667)
Issued for compensation	-	7,004	-	7,004
Share issue costs	(52,004)	-	-	(52,004)
Options granted and vested	-	156,971	-	156,971
Options expired	-	(512,925)	512,925	-
Dividend distribution	-	-	(1,943,569)	(1,943,569)
Loss for the 6 mons ended Dec 31, 2018	-	-	(1,834,016)	(1,834,016)
Balance June 30, 2019	62,613,721	3,729,725	(72,536,067)	(6,192,621)
Private placements	657,020	268,360	-	925,380
Issued for compensation	-	24,400	-	24,400
Share issue costs	(50,623)	(20,677)	-	(71,300)
warrants expired	20,803	(20,803)	-	-
Options granted and vested	-	122,858	-	122,858
Options expired	-	(233,184)	233,184	-
Loss for the 6 mons ended Dec 31, 2019			(1,097,098)	(1,097,098)
Balance December 31, 2019	**$ 63,240,921**	**$ 3,870,679**	**$ (73,399,981)**	**$ (6,288,381)**

GRANADA GOLD MINE INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the six months ended December 31,	2,019	2,018
Cash (used in) provided by:		
Operating activities		
Net Gain (loss_ from continuing operations	**$ (1,097,098)**	$ (2,730,262)
Items not involving cash		
Depreciation	**22,512**	19,297
Stock-based compensation	**122,858**	-
Interest on Long term loans	**24,000**	32,000
Unrealized Gain on Marketable Secouities	**-**	1,217,656
Changes in non-cash working capital items		
Receivables	**49,655**	51,915
Trade and other payables and provisions	**(40,618)**	471,993
Net cash flows (used in) operating activities	**(918,691)**	(937,401)
Investing activities		
Purchase of vehicle	**(50,657)**	-
Net cash flows from investing activities	**(50,657)**	-
Financing activities		
Issuance of common shares and warrants	**925,380**	1,540,521
Share issue costs	**(46,900)**	(5,956)
Secured loans	**-**	(169,122)
Net cash flows generated from financing activities	**878,480**	1,365,443

1. Nature of Operations and Going Concern

Granada Gold Mine Inc. (“Granada” or the “Company”) is domiciled in Canada and was incorporated on July 17, 1985 under the Company Act of British Columbia. The Company is a publicly-traded-company with its shares listed on the TSX Venture Exchange (“TSXV”), the Frankfurt Stock Exchange, and the US over-the-counter (“OTC”) market. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company’s head office is located at 2875 Avenue Granada, Rouyn-Noranda, Quebec, J9Y 1J1.

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on February 26, 2020.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, and renegotiation of contracts.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

As at December 31, 2019, the Company had not yet achieved profitable operations, has an accumulated deficit, has a working capital deficiency and expects to incur further losses in the development of its business.

1. Nature of Operations and Going Concern (cont'd)

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern.

2. Basis of Preparation

(a) Statement of Compliance

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"), which incorporates International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, as required by National Instrument 52-107 sec. 3.2(1)(b)(ii).

(b) Basis of Presentation

These financial statements have been prepared on the historic cost basis, except certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may ultimately differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 4.

(c) Functional and Presentation Currency

For the purpose of the financial statements, the results and financial position are expressed in Canadian dollars, which is also the functional currency of the Company. Transactions in currencies other than the functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses are presented in the statement of loss. The Company does not have any foreign operations.

3. Significant accounting policies

The accounting policies set out in the Company's audited financial statements for the year ended June 30, 2019 have been applied consistently to these interim condensed consolidated financial statements.

4. Significant Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the year. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimates. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company's audited financial statements for the year ended June 30, 2019.

5. Deposit – Long-term

As at December 31, 2019 and June 30, 2019, the Company has a non-interest-bearing cash deposit of $171,800 with the Quebec government as a guarantee for the restoration of the Granada mine site. The Company has estimated that it has no material decommissioning obligations as at December 31, 2018.

6. Exploration and Evaluation Projects

The Company has determined that as at December 31, 2019 the following projects have not met the technical feasibility and commercial viability criteria to be capitalized and classified in mining properties. Accordingly, the Company has expensed all exploration and evaluation expenditures in the year. As of December 31, 2019, and June 30, 2019, the Company did not hold any assets classified as mining properties.

<u>Granada Property, Quebec, Canada</u>

The Company holds a 100% interest to certain mining leases and claims. The mining leases are subject to a 2% Gross Metal Royalty ("GMR"), ½ of which may be purchased for $1,000,000 and a 1% Net smelter royalty (NSR) and 23 of the original mining claims are subject to a 1% NSR. Additionally, there is a 2% NSR on 4 properties optioned from the D2D3 Group ("D2D3") in 2010, half of which may be purchased for $1,000,000.

(Expressed in Canadian Dollars)

7. Property, Plant and Equipment

	December 31, 2019				
	Balance June 30, 2019	Additions (Disposals) (Write-down)	Balance Dec 31, 2019	Accumulated Amortization	Net
Equipment	112,472	-	112,472	11,247	101,225
Vehicles	24,440	-	24,440	3,666	20,774
	136,912		136,912	14,913	121,999

	June 30, 2019				
	Balance June 30, 2018	Additions (Disposals) (Write-down)	Balance June 30, 2019	Accumulated Amortization	Net
Equipment	140,591	-	140,591	28,119	112,472
Vehicles	34,917	-	34,917	10,476	24,440
	175,508		175,508	38,595	136,912

8. Secured Loans Payable

On August 4, 2015, the Company entered into two loan agreements and a Supply and Services agreement for proceeds totaling $800,000.

The first loan agreement is with an existing shareholder and is a demand loan for proceeds of $200,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

The second loan is from a company owned by a director of the Company and comprises a $100,000 demand loan also with a three-year term at an interest rate of 8% calculated monthly and payable annually. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

8. Secured Loans Payable (cont'd)

The third agreement is a Supply and Services non-interest-bearing loan for $500,000 over the 12 months following the execution of the loan agreement from a company owned by a director of the Company. The lender has the option to obtain loan principal repayments including interest as applicable, in gold valued at US $800 per ounce if the Company reaches commercial production. The Supply and Services loan is to be used for specific projects on the property. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

On November 11, 2015 and January 8, 2016, the Company entered into a second and third loan agreement with an existing shareholder for a demand loan for proceeds of $200,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

On November 22, 2018, the Company entered into a convertible loan agreement with an existing shareholder for a demand loan for proceeds of $250,000 over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should the Company reach commercial production while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender. The outstanding principal amount of the loan is convertible into common shares of the Company at the option of the lender at any time at a conversion price of $0.05 per share for the first year and then $0.10 per share starting in the second year and until maturity. The conversion feature has been classified as an equity instrument with an estimated value of $74,856 and has been included in equity reserves on the statement of financial position. The liability portion of the convertible debentures was estimated to be $175,144 and will be accreted to its face value over the 3 year term of the loan using an effecting interest rate of 20%. Accretion and interest expense relating to this loan totalled $22,135 for the year ended June 30, 2018 (2017 - $Nil).

The Granada Gold property is registered as security against these loans. As a triggering event has not taken place, no value has been attributed to the derivative relating to the right of the lenders to demand repayment in gold valued at US $800 per ounce.

(Expressed in Canadian Dollars)

9. Trade and Other Payables and Provisions

	December 31, 2019	June 30,2019
Trade payable	262,583	378,773
Due to related parties	1,116,848	1,041,256
Part XII.6 taxes and interest	752,786	752,786
Flow-through indemnification provision	3,273,631	3,273,631
	$ 5,405,828	$ 5,446,446

(i) The Company has estimated potential Part XII.6 taxes in relation to unspent flow-through expenditures for fiscal years 2011 to 2017. During the year ended June 30, 2019, the Company had accrued an additional $35,847 (2018 - $230,763) for Part XII.6 taxes, interest and penalties on the shortfall.

(ii) The Company has estimated potential indemnity in relation to unspent flow-through expenditures for fiscal years 2011 to 2017. During the year ended June 30, 2019, the Company accrued an additional $419,252 (2018 – $705,880) for indemnification and interest on the shortfall.

10. Share Capital

Authorized
Unlimited number of common shares without par value

Issued

	2020		**2019**	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
Balance, beginning of year	**71,308,020**	**$62,613,721**	**59,656,302**	**$60,425,765**
Private placements	**9,253,800**	**657,020**	**11,651,718**	**1,423,923**
Premium on FT shares	**-**	**-**	**-**	**(133,772)**
Share issue costs	-	**(50,623)**	-	**(70,816)**
Warrants expired	**-**	**20,803**	**-**	**968,621**
Balance, end of period	**80,561,820**	**$63,240,921**	**71,308,020**	**$ 62,613,721**

During the year ended June 30, 2018, the Company completed an eight-for-one consolidation of its common shares. All current and comparative common shares and per share amounts have been retroactively adjusted to reflect the stock consolidation.

10. Share Capital (cont'd)

On December 1, 2017, the Company closed a non-brokered private placement offering, raising gross proceeds of $700,000. The Company issued 2,000,000 FT shares at a price of $0.35 per FT share. In connection with this private placement a flow through share premium of $140,000 was recorded.

Finder's fees totalling $63,000 payable in cash and 180,000 broker warrants were paid in connection with the financing. The broker warrants are exercisable at $0.35 per share for a period of two years from closing.

On January 24, 2018, the Company closed the 1st tranche of a private placement raising gross proceeds of $830,500. The Company issued 3,322,000 units at a price of $0.25 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.35 per share for a period of two years from closing. Finder's fees were paid in connection with the private placement in the amount of $5,950 cash and 5,950 broker warrants on the same terms as the purchaser warrants.

On February 9, 2018, the Company closed the 2nd tranche of its private placement raising additional gross proceeds of $1,226,050. The Company issued 4,904,200 units at a price of $0.25 per unit. Each unit comprises one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of $0.35 per share for a period of two years from closing. Finder's fees were paid in connection with the private placement in the amount of $9,150 cash and 26,600 broker warrants on the same terms as the purchaser warrants.

On October 18, 2018 the Company closed a private placement in which it issued 2,942,140 units at $0.15 per unit for gross proceeds of $441,321. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.18 per share for a period of three years. Certain directors and officers of the Company participated in this private placement by acquiring 2,192,140 units for $328,821.

On November 6, 2018 the Company closed a private placement in which it issued 3,994,666 units at $0.15 per unit for gross proceeds of $599,200. Each unit comprises one common share and one common share purchase warrant exercisable at $0.18 per share for a period of three years. Certain directors and officers of the Company participated in this private placement by acquiring 173,333 units for $26,000.

On December 21, 2018 the Company closed a flow-through private placement financing raising gross proceeds of $500,000. The Company issued 2,631,579 flow-through shares at a price of $0.19 per flow-through share. Finder's fees totaling $35,000 and 200,000 finder warrants were paid in connection with the financing. Each finder warrant is exercisable at $0.155 per share for two years from closing.

(Expressed in Canadian Dollars)

10. Share Capital (cont'd)

On May 29, 2019 the Company closed a flow-through private placement financing raising gross proceeds of $250,000. The Company issued 2,083,333 flow-through shares at a price of $0.12 per flow-through share. Finder's fees totaling $10,000 and 166,166 finder warrants were paid in connection with the financing. Each finder warrant is exercisable at $0.12 per share for two years from closing.

On September 27, 2019, the company closed a private placement in which it issued 9,253,800 units at $0.10 for gross proceeds of $925,380. Each unit is comprised of one common share and one common share purchase warrant exercisable at $0.15 for a period of three years. Finder's fees totaling $39,900 and 469,000 finder warrants were paid in connection with the financing. Each finder warrant is exercisable at $0.15 per share for three years

11. Reserves - Warrants

The Company records the estimated fair value of warrants issued on the grant date. The fair value is determined using the Black-Scholes option pricing model.

	2019		**2019**	
	Number of Warrants	**Value**	**Number of Warrants**	**Value**
Balance, beginning of year	**20,117,565**	**$ 1,664,148**	**16,430,133**	**$ 2,246,311**
Issued by private placements	**9,253,800**	**268,360**	**6,936,806**	**366,598**
Issued as compensation	**469,000**	**24,400**	**366,666**	**22,004**
Expired	**(180,000)**	**(20,803)**	**(3,616,040)**	**(968,621)**
Issue costs related to warrants	**-**	**(20,677)**	**-**	**(2,144)**
Balance, end of period	**29,660,365**	**$ 1,915,428**	**20,117,565**	**$ 1,664,148**

Warrants Outstanding

Number of Warrants	Exercise Price	Expiry Date
2,075,000	0.800	March 3, 2020
2,300,343	0.800	March 17, 2020
3,327,950	0.350	January 24, 2020
4,930,800	0.350	February 9, 2020
2,942,140	0.180	October 10, 2021
3,994,666	0.180	November 6, 2021
200,000	0.155	December 21, 2020
166,666	0.120	May 31 ,2021
9,253,800	0.150	September 27, 2022
469,000	0.150	September 27, 2022
29,660,365		

(Expressed in Canadian Dollars)

11. Reserves - Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four month holding period from the date of grant if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

The Company records the fair value of stock-based compensation on the granting of stock options over the period in which they vest. The fair value is determined using the Black-Scholes option pricing model.

Option Activity

	Number of Options	2020 Weighted Average Exercise price	Value	Number of Options	2019 Weighted Average Exercise price	Value
Balance, beginning of year	5,252,375	0.440	$ 1,990,721	5,173,625	0.453	1,346,675
Granted	1,175,000	0.258	122,858	1,075,000	0.146	156,971
Expired	(825,000)	0.258	(233,184)	(996,250)	0.515	(512,925)
Balance, end of period	5,602,375	0.336	1,880,395	5,252,375	0.440	$1,990,721

Options Outstanding

Number of Options	Options Vested	Exercise Price	Expiry Date
418,750	418,750	1.040	January 4, 2022
593,750	593,750	0.400	February 12, 2021
25,000	25,000	0.800	May 9, 2021
50,000	50,000	0.800	July 7, 2921
31,250	31,250	0.800	September 9, 2021
1,033,625	1,033,625	0.400	March 24, 2022
1,600,000	1,600,000	0.300	February 14, 2023
200,000	200,000	0.140	August 30, 2023
275,000	275,000	0.150	January 24, 2024
200,000	200,000	0.100	June 4, 2024
1,175,000	1,175,000	0.120	October 4, 2024
5,602,375	5,602,375	0.336	

(Expressed in Canadian Dollars)

12. Related Party Transactions

The Company determined that key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors (executive and non-executive), President and Chief Executive Officer and Chief Financial officer are key management personnel.

The remuneration to key management personnel during the six months ended December 31, 2019 and December 31, 2018 is as follows:

	December 31, 2019	December 31, 2018
Key management compensation	$374,787	$374,670
Stock-based compensation	840,000	-
	$187,079	$187,215

a) The Company retains the services of a company owned by an officer and director of the Company to carry out exploration work on its resource properties and for management services. During the six months ended December 31, 2019, the total amount for such services provided was $220,001 (2018 – $220,001) of which $220,000 was recorded in exploration expenses and $1 (2018 - $1) in management fees.

b) The Company retains the services of two director and two officers to carry out administrative services. During the six months ended December 31, 2019, the total amount for such services provided was $154,787 (December 31, 2018 – $154,670) which was recorded in consulting fees.

13. Contingencies

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline. As at December 31, 2019 and to the best knowledge of its management, the Company is, in conformity with the laws and regulations.

a) The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

   Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:
   i) Two years following the flow-through investment;
   ii) One year after the Company has renounced the tax deductions relating to the exploration work.

13. Contingencies (cont'd)

a) During the year ended December 31, 2019, the Company received $250,000 (2018 – $500,000) from flow-through share issuances. According to the tax rules, the Company had until December 31, 2019 to spend the 2018 $500,000 and December 31, 2020, to spend the 2019 $250,000 on qualified exploration expenditures. Both amounts were spent during 2019.

b) The Company has indemnified the subscribers of current and previous flow-through offerings against any tax related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment. See Note 9.

14. Commitments

The Company has consulting service agreements with related parties (certain officers and directors).

i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013 and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of $1.

This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of $25,000 per month for the services of Frank Basa and $11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement.

iii) Effective March 1, 2011 and amended February 1, 2012 and March 1, 2015, the Company entered into a consulting agreement with an officer of the Company. The fee for consulting services is USD $8,000 per month. Either party may terminate this engagement by giving four months' notice to the other subject to certain provisions of the agreement. This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to the consultant of USD $192,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

15. Financial Risk Management

The Company's financial risk management policies set out in the Company's audited financial statements for the year ended June 30, 2019 have been applied consistently for the period ended December 31, 2019.

16. Capital Management Disclosures

The Company's Capital Management policies set out in the Company's audited financial statements for the year ended June 30, 2019 have been applied consistently for the period ended December 31, 2019.

17. Subsequent Events

On January 3, 2020 the Company closed a private placement financing raising gross proceeds of $200,000. A total of 2,000,000 units were issued with each unit consisting of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of two years from closing at an exercise price of $0.15 cents per share.