

Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2019 and 2018

(Unaudited - Expressed in U.S. dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in U.S. dollars)

	Note	September 30, 2019	December 31, 2018
		\$	\$
Assets			
Current			
Cash and cash equivalents		16,165,967	11,678
Receivables and prepaids	5	393,022	115,088
		16,558,989	126,766
Non-current assets			
Equipment		30,262	45,257
Reclamation deposits		444,032	234,800
Other receivables	5	377,400	-
Investment in associate	6	1,887,000	-
Mining claims and deferred exploration costs	7	17,242,898	32,516,391
Arbitration award asset	9	-	11,874,819
		36,540,581	44,798,033
Liabilities			
Current			
Trade accounts payable and accrued liabilities	11, 16	572,471	419,794
Class B shares	9	11,436,186	-
		12,008,657	419,794
Non-current liabilities			
Class B shares and other arbitration award liabilities	9	-	9,463,383
Total Liabilities		12,008,657	9,883,177
Equity attributable to shareholders			
Share capital	10	98,361,729	97,678,334
Contributed surplus	10	13,714,355	13,403,664
Accumulated other comprehensive loss		(343,907)	(337,601)
Deficit		(87,200,253)	(75,829,541)
		24,531,924	34,914,856
		36,540,581	44,798,033

Going concern (Note 1)

Contingencies (Note 12)

Subsequent events (Note 16)

Approved by the Board of Directors:

(signed) "Tina Woodside-Shaw"

(signed) "Roman Mironchik"

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)

For the three and nine months ended September 30

(Unaudited - Expressed in U.S. dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2019	2018	2019	2018
		\$	\$	\$	\$
General and administrative expenses					
Arbitration		(50,570)	16,850	391,221	53,053
Consulting		20,040	2,687	40,277	18,363
Depreciation and amortization		4,840	5,333	14,995	19,285
Directors' fees	11	13,800	14,625	37,650	43,725
Filing and transfer agent fees		8,211	7,688	50,877	53,938
Office and administration		47,733	18,780	89,749	137,375
Professional fees	11	82,314	79,937	264,379	307,515
Reconnaissance and sundry exploration		2,489	3,420	5,214	20,871
Shareholder information and investor relations		2,330	10,181	28,284	62,449
Share-based payments	10,11	66,575	8,177	293,148	61,773
Wages and benefits	11	25,373	77,813	107,024	242,136
		(223,135)	(245,491)	(1,322,818)	(1,020,483)
Other income (expenses)					
Interest and other income		673	38,886	2,023	44,643
Accretion, interest and gain on modification of convertible notes		-	217,104	-	88,626
Foreign exchange gain (loss)		1,833	(2,660)	1,543	(4,347)
Loss on disposal of equipment		-	2,030	-	440
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	9	2,145,910	(2,544,395)	3,312,037	629,823
Loss on sale of the Escalones property	8	(1,974,909)	-	(13,363,497)	-
Change in fair value of options exercisable into Class B shares		-	6,993	-	58,456
		173,507	(2,282,042)	(10,047,894)	817,641
Net loss for the period		(49,628)	(2,527,533)	(11,370,712)	(202,842)
Other comprehensive income (loss)					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Unrealized loss on marketable securities		-	1,400	-	(2,628)
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences		3,697	(27,795)	(6,306)	22,979
Total other comprehensive income (loss) for the period		3,697	(26,395)	(6,306)	20,351
Total comprehensive loss for the period		(45,931)	(2,553,928)	(11,377,018)	(182,491)
Net loss per share:					
Basic		(0.00)	(0.01)	(0.05)	(0.00)
Diluted		(0.00)	(0.01)	(0.05)	(0.00)
Weighted average number of shares outstanding:					
Basic		244,741,944	189,742,406	238,300,116	186,787,931
Diluted		247,510,991	189,742,406	238,300,116	186,787,931

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2019 and 2018

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	Convertible notes – equity component	Deficit	AOCL ¹	Total
	Number	\$	\$	\$	\$	\$	\$
Balance, December 31, 2017	177,047,407	94,395,573	12,631,120	317,197	(78,421,020)	(291,773)	28,631,097
Shares issued on private placement	12,694,999	1,299,987	190,013	-	-	-	1,490,000
Less: issue costs – cash	-	(71,301)	-	-	-	-	(71,301)
Subscriptions received in advance	-	65,302	-	-	-	-	65,302
Share-based payments	-	-	85,926	-	-	-	85,926
Total comprehensive income	-	-	-	-	(202,842)	20,351	(182,491)
Balance, September 30, 2018	189,742,406	95,689,561	12,907,059	317,197	(78,623,862)	(271,422)	30,018,533
Shares issued on private placement	6,428,571	231,208	47,401	-	-	-	278,609
Less: issue costs – cash	-	(26,543)	-	-	-	-	(26,543)
Convertible notes – maturity extension	-	-	-	78,312	-	-	78,312
Convertible notes – conversion	33,398,487	1,784,108	395,509	(395,509)	-	-	1,784,108
Share-based payments	-	-	53,695	-	-	-	53,695
Total comprehensive loss	-	-	-	-	2,794,321	(66,179)	2,728,142
Balance, December 31, 2018	229,569,464	97,678,334	13,403,664	-	(75,829,541)	(337,601)	34,914,856
Shares issued on private placement	17,748,181	701,856	-	-	-	-	701,856
Less: issue costs – cash	-	(39,828)	-	-	-	-	(39,828)
Shares issued on settlement of trade payables	400,000	21,367	-	-	-	-	21,367
Share-based payments	-	-	310,691	-	-	-	310,691
Total comprehensive loss	-	-	-	-	(11,370,712)	(6,306)	(11,377,018)
Balance, September 30, 2019	247,717,645	98,361,729	13,714,355	-	(87,200,253)	(343,907)	24,531,924

¹ Accumulated other comprehensive loss

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

Gold Springs Resource Corp.

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Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30

(Unaudited - Expressed in U.S. dollars)

	2019	2018
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(11,370,712)	(202,842)
Items not affecting cash		
Depreciation and amortization	14,995	19,285
Arbitration	104,738	-
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	(3,312,037)	(629,823)
Change in fair value of stock options exercisable into Class B shares	-	(58,456)
Interest income	(2,023)	(6,638)
Share-based payments	293,148	61,773
Loss on sale of Escalones property	13,363,497	-
Loss on disposal of equipment	-	(440)
Accretion and gain on modification of convertible notes	-	(166,568)
Unrealized foreign exchange (gain) loss	-	(57,411)
	(908,394)	(1,041,120)
Interest received	2,023	5,555
Changes in non-cash operating working capital		
Change in receivables and prepaids	(79,123)	60,642
Change in accounts payable and accrued liabilities	185,160	186,386
	(800,334)	(788,537)
Cash flows from (used in) investing activities		
Receipt of settlement from Bolivia, net of Tribunal's cost order	25,588,525	-
Mining claims and deferred exploration costs	(546,787)	(1,206,594)
Reclamation deposit	(209,232)	-
Repayment of drilling advance	-	66,519
Purchase of equipment	-	(1,483)
Proceeds on disposal of equipment	-	2,582
	24,832,506	(1,138,976)
Cash flows from (used in) financing activities		
Private placement	701,856	1,490,000
Share issuance costs	(39,828)	(71,301)
Subscriptions received in advance	-	65,302
Payment of arbitration award liabilities	(8,408,603)	-
Installment received from the working capital funding facility with the Fund	500,000	-
Repayment of the working capital funding facility with the Fund	(625,000)	-
	(7,871,575)	1,484,001
Increase (decrease) in cash and cash equivalents	16,160,597	(443,512)
Foreign exchange effect on cash and cash equivalents	(6,308)	22,979
Cash and cash equivalents¹ – Beginning of period	11,678	497,750
Cash and cash equivalents¹ – End of period	16,165,967	77,217

¹ Cash and cash equivalents as at September 30, 2019 and 2018 was solely comprised of cash.

Supplemental cash flow information (Note 13)

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

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Unaudited - Expressed in U.S. dollars)

1 Nature of operations and going concern

Gold Springs Resource Corp. (“GRC” or the “Company”) was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act* (British Columbia) (“BCBCA”) on December 17, 2013. On November 1, 2019 the Company changed its name from TriMetals Mining Inc. to Gold Springs Resource Corp. On November 5, 2019, the Company changed its stock symbol on the Toronto Stock Exchange (“TSX”) to GRC and on November 12, 2019 changed its stock symbol on the OTCQB Venture Market (“OTCQB”) to GRCAF. The Company’s registered and head office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada. The Company’s principal activities include the acquisition, exploration and development of mineral properties. The principal country where the Company has been undertaking exploration activities is the United States. Property interests are held through wholly owned subsidiaries.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At September 30, 2019, the Company had a working capital of \$4,550,332 (December 31, 2018 – working capital deficit of \$293,028). The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2018 except as discussed in Note 3 and below.

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Investment in associate

Investments over which the Company exercises significant influence but do not control or jointly control are associates. Investment in associates are accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for our proportionate share of any other changes in the associate's net assets. The Company's share of the profit or loss from the associate is recorded in the Consolidated Statements of Loss and Comprehensive Loss. Our proportionate share of the associate's income or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between our accounting policies and our associate's accounting policies before applying the equity method.

These financial statements were approved by the board of directors on November 12, 2019.

Basis of consolidation

The consolidated financial statements include the results or financial information of Gold Springs Resource Corp. (formerly TriMetals Mining Inc.) and its significant wholly-owned subsidiaries listed in the following table:

<u>Name</u>	<u>Country of incorporation</u>
South American Silver Limited	Bermuda
TriMetals Mining Chile SCM ¹	Chile
Compania Minera Malku Khota S.A.	Bolivia
High Desert Gold Corporation	Canada
Gold Springs Resource Corp. (formerly TriMetals Mining Inc.)	U.S.A.
Gold Springs LLC	U.S.A.

¹ Disposed of on September 26, 2019

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

3 Adoption of new accounting standards

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard results in lease assets previously recorded as operating leases now being recognized as "right of use" assets on the statement of financial position. IFRS 16 is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 became effective for the Company on January 1, 2019. There was no material impact upon adoption.

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4 Use of estimates, assumptions and judgments

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018 except as discussed below.

Investment in associate

The carrying value of the investment in associate is included in the consolidated statements of financial position. Management has estimated the cost of the initial investment is based on the shares received from Wealth Copper Ltd. and applying the expected pricing of the Concurrent Financing, as discussed in Note 8. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggests the carrying amount exceeds the recoverable amount. Any change in the assumptions used could impact the carrying value of the investment on the condensed interim consolidated statement of financial position with a corresponding adjustment to the condensed interim consolidated statement of earnings (loss) and comprehensive income (loss).

5 Receivables and prepaids

	September 30, 2019	December 31, 2018
	\$	\$
GST receivable	16,958	5,221
Other receivables	9,616	9,616
Other prepaids and advances	48,268	100,251
Receivables from sale of the Escalones property (note 8)	695,580	-
	770,422	115,088
Less: long term receivable from sale of the Escalones property (note 8)	(377,400)	-
	393,022	115,088

6 Investment in associate

Upon completion of the sale of the Escalones property (note 8) on September 26, 2019, the Company received 25,000,000 common shares of Wealth Copper Ltd. ("Wealth Copper") a private company registered in British Columbia. On initial recognition, in absence of available market information on the value of Wealth Copper's shares, the Company estimated the cost of the common shares of Wealth Copper to equal the portion of the Concurrent Financing that was raised prior to closing of the Escalones transaction (note 8) of Cdn \$0.10/share totalling an initial recognition cost of \$1,887,000. As at September 30, 2019 the Company owns 42.6% of the issued and outstanding common shares of Wealth Copper. Due to the minimal days between the initial recognition of the investment and the end of the reporting period, the Company did not include its proportionate share of the net loss of Wealth Copper, or any related foreign exchange adjustment. These amounts were immaterial.

The following is a summary of Wealth Copper's financial information on a 100% basis as at September 30, 2019. Wealth Copper's financial statements are prepared in accordance with IFRS.

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	September 30, 2019
	\$
Cash and cash equivalents	164,569
Total current assets	353,348
Total non-current assets	2,105,598
Total current liabilities and total liabilities	(182,714)
Net asset value	2,276,232

7 Mining claims and deferred exploration costs

Mining claims and deferred exploration costs are associated with the following projects:

	Gold Springs	Escalones	Total
	\$	\$	\$
Balance at December 31, 2018	16,823,759	15,692,632	32,516,391
Land and option payments	296,075	50,613	346,688
Field supplies	1,646	-	1,646
Camp	12,442	3,711	16,153
Consulting and supervision	73,518	25,191	98,709
Drilling	3,533	-	3,533
Environmental	6,300	3,314	9,614
Technical consulting	-	4,489	4,489
Travel and accommodation	8,082	-	8,082
Share-based payments	17,543	-	17,543
Value added tax credits	-	112	112
	419,139	87,430	506,569
Sale of Escalones property (note 8)	-	(15,780,062)	(15,780,062)
Balance at September 30, 2019	17,242,898	-	17,242,898

Gold Springs, USA

The Gold Springs mineral property was acquired through the 2013 acquisition of High Desert Gold Corporation (“HDG”).

During the year ended December 31, 2017 the Company increased the size of the Gold Springs property by entering into lease and surface use agreements. Pursuant to the agreements, the Company has entered into a 30 year lease beginning on October 25, 2017 for the mineral rights on certain patented mining claims and a 30 year surface use agreement on certain homestead lands upon payment as follows: \$41,035 paid on execution of the agreement, \$40,000 on October 25, 2018 (paid), \$45,000 on October 25, 2019 (paid), \$50,000 on October 25, 2020 and \$55,000 on each anniversary until October 25, 2047. In addition, upon commencement of commercial production, the Company is to pay the lessor a 3% net smelter returns royalty which is to be increased in relation to the average price per troy ounce of gold. The Company has the right and option, prior to commencement of

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commercial production, to buy back 0.5% of the net smelter returns royalty for the sum of \$1,000,000, payable within 60 days from and after commencement of commercial production.

8 Sale of Escalones property

	September 30, 2019
	\$
Disposal of mining claims and deferred exploration costs (note 7)	15,780,062
Cash consideration receivable (note 5)	(695,580)
Investment in associate (note 6)	(1,887,000)
Transaction costs incurred	166,015
Loss on sale of Escalones property	13,363,497

The Company entered into a definitive share purchase agreement (the “Share Purchase Agreement”) with Wealth Minerals Ltd. (“Wealth”) and its wholly-owned subsidiary, Wealth Copper Ltd. (“Wealth Copper”) pursuant to which, Wealth Copper agreed to acquire all of the issued and outstanding shares of the Company’s subsidiaries SASC Metallurgy Corp. and Escalones Copper Corp. (the “Purchased Shares”), and thereby 100% of the Company’s Chilean subsidiary, TriMetals Mining Chile SCM, and its interest in the Escalones property (the “Escalones Transaction”). The Escalones Transaction closed on September 26, 2019.

As consideration to the Company for the purchase of the Escalones property, Wealth Copper

- (i) issued 25,000,000 common shares in its capital (each, a “Wealth Copper Share”) to the Company;
- (ii) will pay the Company an aggregate of \$754,638 (Cdn\$1,000,000) in cash (the “Cash Consideration”) of which \$112,790 (Cdn\$150,000) has already been paid in 2018, and credited against the Cash Consideration, and Cdn\$350,000 are due upon closing of the Concurrent Financing (as defined below) and Cdn\$500,000 are due on the 12-month anniversary of the closing of the Concurrent Financing.
- (iii) granted the Company a 2% net smelter returns royalty payable on production from those mining rights or exploitation concessions that supersede or shall derive from the Escalones Exploration Concessions if the price of copper is greater than US\$0.75 per pound or a 1% net smelter returns royalty if the copper price is equal to or less than US\$0.75 per pound (the “Royalty”). The Royalty shall be subject to a buyback right pursuant to which the Royalty may be purchased for US\$3 million at any time during the 5 years following the first sale of minerals produced from such mining rights or exploitation concessions, and US\$5 million after such 5-year period.

Wealth Copper also agreed to reimburse the Company for the 2019 land payments of the Escalones Property of \$54,000 upon closing of the Concurrent Financing (as defined below).

At closing of the Escalones transaction, the 25,000,000 Wealth Copper Shares held by the Company, together with the 25,000,000 Wealth Copper Shares held by Wealth, collectively represented 100% of the issued and outstanding Wealth Copper Shares, excluding any Wealth Copper Shares issued in connection with the Concurrent Financing (as defined below).

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Wealth Copper has entered into a letter of intent with a TSX Venture Exchange listed issuer (“ListingCo”) in respect of a reverse take-over transaction (the “Going-Public Transaction”), whereby ListingCo (which, after the closing of the Going-Public Transaction, shall be the “Resulting Issuer”) is to acquire all of the issued and outstanding Wealth Copper Shares from Wealth and GRC and continue the business of Wealth Copper in exchange for the issuance of common shares in the capital of ListingCo to the Wealth Copper shareholders on a one (1) for one (1) basis. The Share Purchase Agreement contemplates that in connection with the Going-Public Transaction, Wealth Copper and/or ListingCo shall have completed private placement financings to raise an aggregate of at least Cdn\$5,000,000 (the “Concurrent Financing”) of which, at closing of the Escalones Transaction, Wealth Copper has already raised approximately Cdn\$814,000 with the issuance of 8,140,000 Wealth Copper Shares at a price of Cdn\$0.10 per Wealth Copper Share.

The Company’s ownership interest in the Resulting Issuer is not to be less than 30% immediately after giving effect to the Going-Public Transaction and the Concurrent Financing and the Company is to be granted the right to participate in future equity financings of the Resulting Issuer to allow the Company to maintain up to its pro rata ownership interest in the equity capital of the Resulting Issuer. In addition, following closing of the Going-Public Transaction, the Company and Wealth will each be granted the right to nominate one director to the board of directors of the Resulting Issuer for so long as each holds at least 20% of the issued and outstanding shares of the Resulting Issuer.

9 Arbitration related assets and liabilities

On October 23, 2012, the Company’s wholly-owned Bermudian subsidiary, South American Silver Limited (“SASL”), delivered a formal letter to the Plurinational State of Bolivia (“Bolivia”) notifying it of an investment dispute between the Company and Bolivia. The dispute arose as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308 on August 1, 2012 (the “Decree”). The Decree revoked mining concessions held by the Company’s Bolivian subsidiary, Compañía Minera Malku Khota S.A. (“CMMK”), a wholly-owned subsidiary of SASL.

On April 30, 2013, SASL commenced international arbitration against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) pursuant to the UK-Bolivia Treaty seeking compensation based on fair market value of the Malku Khota project.

On May 23, 2013, the Company entered into a privileged arbitration funding agreement (the “Arbitration Funding Agreement”) with a third-party funder (the “Fund”) pursuant to which the Fund would cover most of the Company’s future costs and expenses related to its international arbitration proceedings against Bolivia.

On November 22, 2018, an Arbitration Tribunal of the Permanent Court of Arbitration issued an award to SASL for \$18,700,000 in respect of amounts invested and interest thereon (the “Award”).

On April 4, 2019 the Company executed an addendum to its 2013 Arbitration Funding Agreement with the Fund whereby the Company could elect to receive up to \$2 million for working capital purposes. The Fund made such working capital funding facility available to the Company in four semi-annual installments of \$500,000 each. The first \$500,000 installment was received in June 2019 and repaid to the Fund in September 2019.

On August 29, 2019, the Company and its wholly-owned subsidiaries SASL and CMMK, entered into an agreement (the “Settlement Agreement”) with Bolivia for US\$25,798,000 to settle SASL’s international

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arbitration against Bolivia, and to transfer to Bolivia the exploration data of the Malku Khota project owned by the Company (the "Data").

On September 5, 2019 the Company received \$25,588,525, being net of \$209,475 for the Tribunal's cost order included in the Award, from the Government of Bolivia as a final settlement amount for (i) SASL's Award against Bolivia and (ii) the transfer of the Data by the Company to Bolivia.

The settlement with Bolivia resulted in a net fair-value gain to the Company of \$3,312,037 (2018 - \$629,823) and \$2,145,910 (2018 - \$2,544,395 loss) for the nine and three months ended September 30, 2019, respectively.

An aggregate 116,375,152 Class B shares were issued and outstanding as at September 30, 2019. The Class B shares carried redemption and retraction rights and rights on liquidation which entitled the holders collectively to 85% of the net cash, (after deducting all costs, taxes and expenses and the Funds' recovery portion thereof) received by GRC from an award or settlement in relation to the arbitration proceedings against Bolivia. On November 4, 2019 the Class B shares were redeemed for \$0.09827 per Class B share for total redemption proceeds of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB.

10 Share capital

Authorized

An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and, subject to the rights of the holders of the Class B shares, to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at September 30, 2019. Refer to note 9 for the number of Class B shares issued and related terms, and subsequent redemption and delisting.

Financings

On August 16, 2019 the Company closed, in two tranches, a private placement, issuing 8,548,181 common shares at a price of Cdn \$0.055 per share, raising gross proceeds of \$356,442 (Cdn \$470,150). The Company incurred share issuance costs of \$11,265.

On March 20, 2019 the Company completed a private placement for gross proceeds of \$345,414 (Cdn \$460,000) through the issuance of 9,200,000 common shares at a price of Cdn \$0.05 per share. The Company incurred share issuance costs of \$28,563.

In addition, during the nine months ended September 30, 2019, the Company issued 400,000 common shares at a price of Cdn \$0.05 per share to settle trade debts payable.

During the nine months ended September 30, 2018, the Company completed a private placement in three tranches for gross proceeds of \$1,490,000 (Cdn. \$1,904,250) through the issuance of 12,694,999 units at a price of Cdn. \$0.15 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant.

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Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. \$0.25 per share for a period of 24 months from the closing date of the private placement. The warrants are subject to an acceleration clause should the Company's common shares trade at a price of Cdn. \$0.35 or greater for 10 consecutive trading days. A value of \$190,013 was attributed to these warrants using the Black-Scholes option-pricing model and has been credited to contributed surplus. Assumptions used in the pricing model were as follows: average risk-free interest rate – 1.21%; expected life – 2 years; expected volatility – 71% to 74%; and expected dividends – nil. The Company incurred share issuance costs of \$71,301.

Stock options

The Company's stock options outstanding as at September 30, 2019 and the changes for the nine months then ended are as follows:

	Number of options	Weighted average exercise price (per share) Cdn \$	Weighted average remaining life (years)
Balance – December 31, 2017	11,541,458	0.30	2.57
Expired	(5,206,458)	0.31	
Granted	3,650,000	0.10	
Balance – December 31, 2018	9,985,000	0.22	2.62
Forfeited	(1,116,667)	0.18	
Granted	13,450,000	0.06	
Balance – September 30, 2019	22,318,333	0.13	2.17
Exercisable – September 30, 2019	18,835,000	0.14	2.08

During the three and nine months ended September 30, 2019, the Company recorded share-based payments, in respect of the vesting of previously granted stock options and newly granted options, of \$66,575 and \$293,148, respectively, (2018 - \$8,177 and \$61,773, respectively) was recorded as a charge to operations and \$17,543 was included in deferred exploration costs for the nine months ended September 30, 2019.

The weighted average grant date fair value of options granted during the nine months ended September 30, 2019 was \$0.03 per share (2018 - \$0.09 per share). The fair value of each option grant during the nine months ended September 30, 2019 and 2018 was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

	2019	2018
Weighted average exercise price	Cdn. \$0.06	Cdn. \$0.22
Weighted average grant date share price	Cdn. \$0.06	Cdn. \$0.16
Risk-free interest rate	1.58%	1.13%
Expected life	3 years	5 years
Expected volatility	83%	95%
Dividend rate	0%	0%

Grant date share price is the closing market price on the date the options were granted. Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted.

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The balance of options outstanding as at September 30, 2019 is as follows:

Expiry date	Exercise price Cdn\$	Number of options outstanding	Number of options exercisable
October 31, 2019*	0.22	166,667	166,667
October 31, 2019*	0.21	200,000	200,000
October 31, 2019*	0.05	116,666	116,666
November 13, 2019	0.42	1,177,500	1,177,500
August 12, 2020	0.21	1,727,500	1,727,500
May 19, 2021	0.305	1,427,500	1,427,500
October 10, 2021	0.285	250,000	250,000
November 21, 2021	0.225	50,000	50,000
November 27, 2021	0.05	2,050,000	1,366,667
February 8, 2022	0.055	200,000	66,667
February 15, 2022	0.06	2,000,000	2,000,000
April 8, 2022	0.06	6,500,000	6,500,000
May 1, 2022	0.045	2,000,000	666,667
May 9, 2022	0.045	500,000	500,000
June 12, 2022	0.30	1,702,500	1,702,500
September 9, 2022	0.08	2,250,000	916,666
		22,318,333	18,835,000

* Expired subsequent to period end.

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

Warrants

The Company's warrants outstanding as at September 30, 2019 and the changes for the nine months then ended are as follows:

	Number of warrants	Weighted average exercise price (per share) Cdn\$	Weighted average remaining life (years)
Balance – December 31, 2017	17,768,331	0.35	1.72
Issued	9,561,785	0.20	
Expired	(79,200)	0.30	
Balance – December 31, 2018	27,250,916	0.30	0.96
Expired	(8,696,500)	0.40	
Balance – September 30, 2019	18,554,416	0.25	0.42

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Warrants to acquire common shares are outstanding at September 30, 2019 as follows:

Expiry Date	Exercise Price Cdn\$	Number of warrants outstanding
December 2, 2019	0.30	7,300,000
December 2, 2019 ⁽¹⁾	0.25	876,000
December 8, 2019	0.30	729,135
December 8, 2019 ⁽¹⁾	0.25	87,496
February 28, 2020	0.25	4,039,166
March 2, 2020	0.25	1,475,000
April 5, 2020	0.25	833,333
October 19, 2020	0.11	714,286
October 25, 2020	0.11	2,500,000
		18,554,416

⁽¹⁾ These represent compensation warrants. Each compensation-warrant entitles the holder to acquire one unit consisting of one common share and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at the exercise price shown.

11 Related party transactions

Key management includes the Chief Executive Officer, the Chief Financial Officer and the remaining directors. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Directors' fees	13,800	14,625	37,625	43,725
Professional fees	29,377	16,668	66,941	54,112
Share-based payments	56,159	2,716	251,359	15,392
Wages and benefits	21,500	48,750	62,750	138,494
	120,836	82,759	418,675	251,723

Included in accounts payable at September 30, 2019 is an amount of \$360,476 (December 31, 2018 - \$281,499) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

The Company incurred the following additional expenditures with related parties during the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Consulting fees	-	687	15,891	5,531
Consulting fees - mineral property costs	-	1,439	943	12,411
Professional fees	79,532	20,652	199,702	80,116
Share issuance costs	6,083	-	22,351	28,215
	85,615	22,778	238,887	126,273

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12 Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

13 Segment information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities as at September 30, 2019 and December 31, 2018 is as follows:

Identifiable assets	September 30, 2019	December 31, 2018
	\$	\$
Bolivia	3,990	11,881,004
Canada	18,613,104	81,442
Chile	-	15,698,557
United States	17,923,487	17,137,030
Total assets	36,540,581	44,798,033

Identifiable liabilities	September 30, 2019	December 31, 2018
	\$	\$
Bolivia	38,088	8,853
Canada	11,949,538	289,711
Chile	-	33,371
United States	21,031	87,859
Total liabilities	12,008,657	419,794

Geographic segmentation of the Company's net earnings (loss) for the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Bolivia	1,988,193	(19,989)	3,226,537	(70,119)
Canada	(1,619,462)	(2,407,650)	(2,665,057)	248,490
Chile	(90,885)	(9,887)	(11,543,458)	(48,444)
United States	(327,474)	(90,007)	(388,734)	(332,769)
Net earnings (loss)	(49,628)	(2,527,533)	(11,370,712)	(202,842)

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14 Supplemental cash flow information

The Company conducted non-cash investing activities during the nine months ended September 30, 2019 and 2018 as follows:

	2019	2018
	\$	\$
Interest income included in receivables and prepaids	-	1,083
Shares issued to settle accounts payable	21,367	-
Investing activities		
Deferred exploration costs included in accounts payable	2,402	50,850
Deferred exploration costs included in accounts payable as at December 31, 2018 and 2017 respectively	(60,163)	(121,694)
Financing activities		
Share-based payments included in deferred exploration costs	17,543	20,993

15 Financial instruments

The Company's financial instruments as at September 30, 2019 consist of cash and cash equivalents, receivables, reclamation deposit and accounts payable. Cash and cash equivalents, receivables, reclamation deposit and accounts payable are classified as amortized cost.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2018.

16 Subsequent events

On November 5, 2019, the Company changed its stock symbol on the Toronto Stock Exchange ("TSX") to GRC and on November 12, 2019 changed its stock symbol on the OTCQB Venture Market ("OTCQB") to GRCAF.

On November 4, 2019 the Company redeemed the Class B shares at a price of US\$0.09827 per share for total redemption proceeds of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB.

On October 31, 2019 a total of 483,333 options ranging in exercise price from \$0.05 - \$0.22 per option expired unexercised.

Subsequent to the period end the Company settled \$480,284 of the trade accounts payable and accrued liabilities which were outstanding at September 30, 2019.