

Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2020 and 2019

(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, 2020	December 31, 2019
		\$	\$
Assets			
Current			
Cash and cash equivalents		2,305,562	3,831,570
Restricted cash	7	449,794	450,408
Receivables and prepaids	4	456,293	408,735
		3,211,649	4,690,713
Non-current assets			
Equipment		69,828	25,619
Reclamation deposit	6	470,131	470,131
Other receivables	4	328,359	295,487
Investment in associate	5	1,465,187	1,819,796
Mining claims and deferred exploration costs	6	18,434,165	17,527,069
		23,979,319	24,828,815
Liabilities			
Current			
Accounts payable and accrued liabilities	10	100,843	146,572
Redemption liability	7	449,794	450,408
		550,637	596,980
Non-current liabilities			
Loan payable	8	29,988	-
		580,625	596,980
Equity attributable to shareholders			
Share capital	9	98,491,472	98,466,930
Contributed surplus	9	13,755,671	13,725,401
Accumulated other comprehensive loss		(383,631)	(327,157)
Deficit		(88,464,818)	(87,633,339)
		23,398,694	24,231,835
		23,979,319	24,828,815

Contingencies (Note 11)

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, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

	Note	Three months ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		\$	\$	\$	\$
General and administrative expenses					
Professional fees	10	45,615	82,314	188,976	264,379
Wages and benefits	10	47,101	25,373	161,917	107,024
Filing and transfer agent fees		5,701	8,211	36,294	50,877
Office and administration		12,575	47,733	50,930	89,749
Shareholder information and investor relations		8,145	2,330	40,598	28,284
Share-based payments	9,10	8,468	66,575	32,903	293,148
Directors' fees	10	15,000	13,800	41,583	37,650
Depreciation and amortization		6,394	4,840	19,805	14,995
Consulting		5,342	20,040	16,026	40,277
Reconnaissance and sundry exploration		4,948	2,489	4,948	5,214
Arbitration		-	(50,570)	-	391,221
		(159,289)	(223,135)	(593,980)	(1,322,818)
Other income (expenses)					
Interest and other income		20,512	673	66,658	2,023
Foreign exchange loss		(118)	1,833	(1,643)	1,543
Share of loss of equity accounted investee	5	(103,656)	-	(302,514)	-
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	7	-	2,145,910	-	3,312,037
Loss on sale of Escalones property		-	(1,974,909)	-	(13,363,497)
		(83,262)	173,507	(237,499)	(10,047,894)
Net loss for the period		(242,551)	(49,628)	(831,479)	(11,370,712)
Other comprehensive income (loss)					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences		45,374	3,697	(56,474)	(6,306)
Total other comprehensive income (loss) for the period		45,374	3,697	(56,474)	(6,306)
Total comprehensive loss for the period		(197,177)	(45,931)	(887,953)	(11,377,018)
Net earnings (loss) per share:					
Basic and Diluted		(0.00)	(0.00)	(0.00)	(0.05)
Weighted average number of shares outstanding:					
Basic and Diluted		248,824,399	244,741,944	248,800,934	238,300,116

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, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	AOCL ¹	Deficit	Total
	Number	\$	\$	\$	\$	\$
Balance, December 31, 2018	229,569,464	97,678,334	13,403,664	(337,601)	(75,829,541)	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	-	-	-	(6,306)	(11,370,712)	(11,377,018)
Balance, September 30, 2019	247,717,645	98,361,729	13,714,355	(343,907)	(87,200,253)	24,531,924
Shares issued on private placement	-	-	-	-	-	-
Less: issue costs - cash	-	-	-	-	-	-
Shares issued on warrant exercise	1,071,428	105,201	(15,800)	-	-	89,401
Share-based payments	-	-	26,846	-	-	26,846
Total comprehensive income (loss)	-	-	-	16,750	(433,086)	(416,336)
Balance, December 31, 2019	248,789,073	98,466,930	13,725,401	(327,157)	(87,633,339)	24,231,835
Shares issued on warrant exercise	250,000	24,542	(3,687)	-	-	20,855
Share-based payments	-	-	33,957	-	-	33,957
Total comprehensive loss	-	-	-	(56,474)	(831,479)	(887,953)
Balance, September 30, 2020	249,039,073	98,491,472	13,755,671	(383,631)	(88,464,818)	23,398,694

¹ Accumulated other comprehensive income (loss)

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 Cash Flows

For the nine months ended September 30, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

	September 30, 2020	September 30, 2019
	\$	\$
Cash flows (used in) from operating activities		
Net loss for the period	(831,479)	(11,370,712)
<i>Items not affecting cash</i>		
Depreciation and amortization	19,805	14,995
Arbitration	-	104,738
Share of loss of equity accounted investee	302,514	-
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	-	(3,312,037)
Interest income	(66,658)	(2,023)
Share-based payments	32,903	293,148
Loss on sale of Escalones property	-	13,363,497
	(542,915)	(908,394)
Interest received	63,415	2,023
<i>Changes in non-cash operating working capital</i>		
Change in receivables and prepaids	(77,187)	(79,123)
Change in accounts payable and accrued liabilities	(56,016)	185,160
	(612,703)	(800,334)
Cash flows (used in) from investing activities		
Receipt of settlement from Bolivia, net of Tribunal's cost order	-	25,588,525
Mining claims and deferred exploration costs	(895,755)	(546,787)
Reclamation deposit	-	(209,232)
Purchase of equipment	(64,014)	-
	(959,769)	24,832,506
Cash flows from (used in) financing activities		
Private placement	-	701,856
Share issuance costs	-	(39,828)
Exercise of warrants	20,855	-
Receipt of loan financing	29,988	-
Payment of arbitration award liabilities	-	(8,408,603)
Receipt of funding installment	-	500,000
Repayment of the working capital funding facility with the Fund	-	(625,000)
	50,843	(7,871,575)
Increase (decrease) in cash and cash equivalents	(1,521,629)	16,160,597
Foreign exchange effect on cash and cash equivalents	(4,379)	(6,308)
Cash and cash equivalents - Beginning of period	3,831,570	11,678
Cash and cash equivalents - End of period	2,305,562	16,165,967

Supplemental cash flow information (Note 13)

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

Gold Springs Resource Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(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”) in the U.S. to GRCAF. On December 31, 2019 the Company amalgamated with its 100% subsidiary, MK Acquisition Corp., and continued under the name Gold Springs Resource Corp. 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, 2020, the Company had a working capital of \$2,661,012 (December 31, 2019 – working capital of \$4,093,733), which the Company believes is sufficient to meet its obligations and continue its operations for at least the next twelve months.

Beyond the next 12 months, the Company’s ability to continue as a going concern will be 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.

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, 2019, 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, 2019.

These financial statements were approved by the board of directors on November 10, 2020.

Gold Springs Resource Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

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
High Desert Gold Corporation	Canada
Gold Springs Resource Corp. (formerly TriMetals Mining Inc.)	U.S.A.
Gold Springs LLC	U.S.A.

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 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, 2019.

4 Receivables and prepaids

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
	<u>\$</u>	<u>\$</u>
GST receivable	8,947	13,502
Other receivables	12,490	15,731
Other prepaids and advances	118,461	87,635
Receivables from sale of the Escalones property (note 5)	644,754	587,354
	<u>784,652</u>	<u>704,222</u>
Less: long term receivable from sale of the Escalones property (note 5)	<u>(328,359)</u>	<u>(295,487)</u>
	<u>456,293</u>	<u>408,735</u>

5 Investment in associate

On May 31, 2019, the Company and its wholly-owned subsidiary, Escalones Resource Corp. ("ERC") entered into a definitive share purchase agreement, as amended (the "Share Purchase Agreement"), with Wealth Minerals Ltd. ("Wealth") and its then wholly-owned subsidiary, Wealth Copper Ltd., subsequently renamed to World Copper Ltd., ("World Copper"), a private company incorporated in British Columbia, pursuant to which, World Copper agreed to acquire from ERC 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.

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

(i) issued 25,000,000 common shares in its capital (each, a “World Copper Share”) to the ERC;

(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) was paid in 2018, and credited against the Cash Consideration, and Cdn\$350,000 due upon closing of the Concurrent Financing (as defined below, still to occur) and Cdn\$500,000 due on the 12-month anniversary of the closing of the Concurrent Financing (still to occur); and

(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. In calculating the loss from disposition of the Escalones property, a \$nil value was ascribed to the Royalty due to uncertainty of occurrence.

World 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, still to occur).

At closing of the Escalones Transaction, the Company held 25,000,000 World Copper Shares and 25,000,000 World Copper Shares were held by Wealth, which collectively represented 85.2% of the issued and outstanding World Copper Shares, excluding any World Copper Shares to be issued in connection with the Concurrent Financing (as defined below).

World Copper has entered into a letter of intent with Allante Resources Ltd. (TSXV: ALL.H) (“Allante”) dated June 7, 2019 in respect of a reverse take-over transaction (the “Going-Public Transaction”), whereby Allante (which, after the closing of the Going-Public Transaction, shall be the “Resulting Issuer”) is to acquire all of the issued and outstanding World Copper Shares from Wealth and ERC and continue the business of World Copper in exchange for the issuance of common shares in the capital of Allante to the World Copper shareholders on a one (1) for one (1) basis. The Share Purchase Agreement contemplates that in connection with the Going-Public Transaction, World Copper and/or Allante 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, World Copper had already raised approximately Cdn\$814,000 with the issuance of 8,140,000 World Copper Shares at a price of Cdn\$0.10 per World Copper Share. World Copper is to complete by itself (or in conjunction with Allante), private placement financing(s) in the aggregate amount of at least Cdn\$2,000,000 prior to the closing of the Going-Public Transaction, with the outstanding amount of the Concurrent Financing to be raised on or before February 28, 2021. During the third quarter of 2020 World Copper issued 21,879,000 units at \$0.10 per share for gross proceeds of \$2,187,900. Each unit consisted of a common share and warrant exercisable into a common share at a price of \$0.20 for 5 years. In addition, World Copper issued 1,500,000 units at \$0.10 per share to settle a loan payable of \$150,000. Each unit consisted of a common share and warrant exercisable into a common share at a price of \$0.20 for 5 years.

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Notes to the Condensed Interim Consolidated Financial Statements

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Pursuant to the Share Purchase Agreement, 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.

If the Going-Public Transaction has not closed by December 31, 2020, ERC has the right to demand, on or before July 15, 2021, that World Copper return and transfer the Purchased Shares (including the shares of TMI Chile) to ERC. In the event that the Purchased Shares are returned by World Copper to ERC, then ERC would be required to return its World Copper Shares to Wealth Minerals.

On initial recognition, in absence of available market information on the value of World Copper's shares, the Company estimated the value of the common shares of World Copper to equal Cdn \$0.10/share, being the price per common share applicable to the portion of the financing by World Copper that was raised prior to closing of the Escalones transaction, totalling an initial recognition cost of \$1,887,000. As at September 30, 2020 the Company owns 30.48% (2019 – 42.63%) of the issued and outstanding common shares of World Copper.

The Company's investment in associate as at September 30, 2020 and the changes for the period then ended are as follows:

	September 30, 2020
	\$
Balance, December 31, 2019	1,819,796
Share of loss in equity accounted investee	(302,514)
Foreign exchange	(52,095)
Balance, September 30, 2020	1,465,187

The following is a summary of World Copper's financial information on a 100% basis as at September 30, 2020. World Copper's financial statements are prepared in accordance with IFRS.

	September 30, 2020
	\$
Cash and cash equivalents	677,985
Total current assets	730,354
Total non-current assets	3,137,434
Total current liabilities	(272,469)
Total non-current liabilities	(765,205)
Net asset value	3,508,099
Net loss for the nine months ended September 30, 2020	992,474
Proportionate share of net loss (30.48% ownership)	302,514

Gold Springs Resource Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

6 Mining claims and deferred exploration costs

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

	Gold Springs
	\$
Balance, December 31, 2019	17,527,069
Land and option payments	188,392
Laboratory	41,657
Field supplies	21,497
Camp	22,366
Geologists and personnel	260,013
Environmental and permitting	165,740
Technical consulting	128,623
Travel and accommodation	68,611
Trenching	9,143
Share-based payments	1,054
	907,096
Balance, September 30, 2020	18,434,165

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 (paid) 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 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.

As at September 30, 2020 the Company had \$470,131 (2019 - \$470,131) of cash on direct deposit with Nevada and Utah land and environmental regulatory authorities for future remediation costs. The carrying values represent the cash placed directly with those authorities. The cash on deposit represents the amounts to meet the expected remediation costs as advised by those regulatory authorities.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(Unaudited - Expressed in U.S. dollars)

7 Restricted cash and redemption liability

On August 29, 2019, the Company and its wholly-owned Bermudian subsidiary, South American Silver Limited (“SASL”), and SASL’s wholly-owned Bolivian subsidiary, Compañía Minera Malku Khota S.A. (“CMMK”), entered into an agreement with the Plurinational State of Bolivia (“Bolivia”) for \$25,798,000 to settle SASL’s then ongoing international 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.

On November 4, 2019 the Class B shares were redeemed for \$0.09827 per Class B share for an aggregate redemption amount of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at September 30, 2020 there was \$449,794 (December 31, 2019 - \$450,408) of redemption funds remaining held in trust with Company’s Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

During 2019, and prior to the settlement with Bolivia and redemption of the Class B shares, the associated arbitration assets and liabilities were carried at their estimated fair values, being the accounting measure as determined based on the requirements of IFRS-13 *Fair value measurement* (“IFRS-13”). The fair value requirements of IFRS-13 compel the maximum use of quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs).

During the nine months ended September 30, 2019, the Class B shares were recorded at their estimated fair value which was based on the quoted price of the Class B shares on the Toronto Stock Exchange (“TSX”). The Class B shares represented a portion of the total arbitration award liability. The remainder of the liability was made up of the other costs incurred that were contingent on the monetary outcome of the award process.

As the Class B shares were quoted on the TSX, and because of the requirement of IFRS-13 to maximise the use of Level 1 inputs, the price of the Class B shares was required to be utilized as the primary input in determining the fair values of the arbitration award asset as well as the other arbitration award liability.

The change in fair value of arbitration award asset, Class B shares and other arbitration award liabilities of \$2,145,190 and \$3,312,037 for the three and nine months ended September 30, 2019, respectively, comprise the net unrealized fair value changed in the then total arbitration award assets and the then arbitration award liabilities.

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8 Loan payable

In May 2020, the Company received \$29,988 (CAD \$40,000) in the form of a Canada Emergency Business Account (“CEBA”) loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. During the period from receipt of the CEBA loan to December 31, 2022, the “Initial Term”, no interest is charged on the amount outstanding and should at least CAD\$ 30,000 be repaid on or before the end of the Initial Term the remaining CAD \$10,000 of principal will be forgiven. During the period from January 1, 2023 to December 31, 2025 (the “Extended Term”), should the loan remain outstanding, interest will be payable monthly at rate of 5% per annum on the outstanding balance. The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the initial Term.

9 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. No dividends have ever been declared or paid as at September 30, 2020.

On November 4, 2019 the Company redeemed the Class B shares at a price of US\$0.09827 per share for an aggregate redemption amount of \$11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at September 30, 2020 there was \$449,794 (December 31, 2019 - \$450,408) of redemption funds remaining held in trust with Company’s Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

Financings

On September 18, 2020, a total of 250,000 warrants were exercised for gross proceeds of \$20,855.

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 process 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.

Stock options

The Company’s stock options outstanding as at September 30, 2020 and the changes for the nine months then ended are as follows:

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	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
		Cdn \$	
Balance – December 31, 2019	20,657,500	0.11	2.08
Expired	(1,727,500)	0.21	
Forfeited	-	-	
Granted	200,000	0.145	
Balance – September 30, 2020	19,130,000	0.10	1.48
Exercisable – September 30, 2020	18,996,667	0.10	1.47

During the three and nine months ended September 30, 2020, the Company recorded share-based payments, in respect of the vesting of previously granted stock options, of which \$8,468 and \$32,903, respectively, (2019 - \$66,575 and \$293,148, respectively) was recorded as a charge to operations, and \$1,054 was included in deferred exploration costs for the nine months ended September 30, 2020 (2019 - \$17,543).

The weighted average grant date fair value of options granted during the nine months ended September 30, 2020 was \$0.06 per share (2019 - \$0.03 per share). The fair value of each option grant during the nine months ended September 30, 2020 and 2019 was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

	2020	2019
Weighted average exercise price	Cdn. \$0.145	Cdn. \$0.06
Weighted average grant date share price	Cdn. \$0.145	Cdn. \$0.06
Risk-free interest rate	0.24%	1.58%
Expected life	3 years	3 years
Expected volatility	86%	83%
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, 2020 is as follows:

Expiry date	Exercise price Cdn\$	Number of options outstanding	Number of options exercisable
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	2,050,000
February 8, 2022	0.055	200,000	200,000
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	2,000,000
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	2,250,000
August 31, 2023	0.145	200,000	66,667
		19,130,000	18,996,667

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, 2020 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, 2019	8,490,357	0.21	0.34
Expired	(6,347,499)	0.25	
Exercised	(250,000)	0.11	
Balance – September 30, 2020	1,892,858	0.11	0.06

Warrants to acquire common shares are outstanding at September 30, 2020 as follows:

Expiry Date	Exercise Price Cdn\$	Number of warrants outstanding
October 19, 2020	0.11	464,286
October 25, 2020	0.11	1,428,572
		1,892,858

Subsequent to September 30, 2020, a total of 1,892,858 warrants with an exercise price of Cdn \$0.11 expired unexercised (Note 15).

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10 Related party transactions

Key management includes all the Officers and Directors of the Company. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2020 and 2019 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Directors' fees	15,000	13,800	42,000	37,650
Professional fees	7,655	29,378	29,447	66,941
Share-based payments	5,713	65,971	29,624	267,896
Wages and benefits	80,833	43,533	230,834	105,781
	109,201	152,682	331,905	478,268

Included in accounts payable and accrued liabilities at September 30, 2020 is an amount of \$29,086 (December 31, 2019 - \$38,670) 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, 2020 and 2019:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Consulting fees	-	13,824	-	52,582
Consulting fees - mineral property costs	-	-	-	21,325
Professional fees	27,066	79,532	80,663	199,702
Share issuance costs	-	6,083	-	22,351
	27,066	99,439	80,663	295,960

11 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.

12 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, 2020 and December 31, 2019 is as follows:

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Identifiable assets	September 30, 2020	December 31, 2019
		\$
Bolivia	11,650	11,127
Canada	4,917,798	6,652,716
United States	19,049,871	18,164,972
Total assets	23,979,319	24,828,815

Identifiable liabilities	September 30, 2020	December 31, 2019
		\$
Bolivia	20,823	10,091
Canada	549,011	577,186
United States	10,791	9,703
Total liabilities	580,625	596,980

Geographic segmentation of the Company's net earnings (loss) for the three and nine months ended September 30, 2020 and 2019 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Bolivia	(11,432)	1,988,193	(62,780)	3,226,537
Canada	(205,522)	(1,619,462)	(690,309)	(2,665,057)
Chile	-	(90,885)	-	(11,543,458)
United States	(25,597)	(327,474)	(78,390)	(388,734)
Net earnings (loss)	(242,551)	(49,628)	(831,479)	(11,370,712)

13 Supplemental cash flow information

The Company conducted non-cash investing activities during the nine months ended September 30, 2020 and 2019 as follows:

	2020	2019
	\$	\$
Shares issued to settle accounts payable	-	21,367
Investing activities		
Deferred exploration costs included in accounts payable	10,804	2,402
Deferred exploration costs included in accounts payable as at December 31, 2019 and 2018 respectively	(517)	(60,163)
Financing activities		
Share-based payments included in deferred exploration costs	1,054	17,543

Cash and cash equivalents as at September 30, 2020 and 2019 was comprised solely of cash.

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14 Financial instruments

The Company's financial instruments as at September 30, 2020 consist of cash and cash equivalents, receivables, reclamation deposits, accounts payable, redemption obligations and loan payable which are all classified as amortized cost.

Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

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, 2019.

15 Subsequent events

Subsequent to September 30, 2020, a total of 1,892,858 warrants with an exercise price of Cdn \$0.11 expired unexercised.