



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's external auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.



CURRIE ROSE RESOURCES INC.
 (An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	<u>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>
ASSETS		
Current:		
Cash	\$ 52,739	\$ 5,620
Accounts receivable (Note 5)	47,091	43,519
Prepaid expenses	960	3,839
Marketable securities (Note 6)	<u>400,000</u>	<u>880,000</u>
	500,790	932,978
Long term:		
Resource properties (Note 7)	<u>939,236</u>	<u>925,843</u>
	<u>\$ 1,440,026</u>	<u>\$ 1,858,821</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 8)	\$ 278,536	\$ 344,998
Loans payable - related party (Note 9)	-	48,291
	<u>278,536</u>	<u>393,289</u>
SHAREHOLDERS' EQUITY		
Common shares (Note 10)	16,358,373	16,358,373
Contributed surplus	1,391,530	1,391,530
Warrants	8,000	8,000
Share based compensation	236,826	236,826
Accumulated deficit	(16,857,865)	(16,553,823)
Accumulated comprehensive income	<u>24,626</u>	<u>24,626</u>
	<u>1,161,490</u>	<u>1,465,532</u>
	<u>\$ 1,440,026</u>	<u>\$ 1,858,821</u>
Going concern (Note 2(d))		
Commitments (Note 12)		

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

Approved on behalf of the Board:

"Michael Griffiths" Director

"Stephen Coates" Director



CURRIE ROSE RESOURCES INC.
 (An Exploration Stage Enterprise)
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
 NET LOSS AND COMPREHENSIVE LOSS**
THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	<u>2020</u>	<u>2019</u>
Expenses		
Management fees	\$ 48,584	\$ 48,000
Travel and promotion	8,670	21,294
Listing fees and shareholder information	6,996	9,911
Professional fees	5,354	7,527
Office and general	1,865	8,736
Consulting fees	-	19,000
Loss on foreign exchange	(1,363)	-
Share based compensation	-	58,015
	<u>70,106</u>	<u>172,483</u>
Loss from operations before undernoted items	(70,106)	(172,483)
Realized loss on sale of marketable securities (Note 6)	(85,896)	-
Decrease in fair value of marketable securities (Note 6)	(148,040)	-
	<u>(304,042)</u>	<u>(172,483)</u>
Net loss and comprehensive loss	\$ (304,042)	\$ (172,483)
Basic loss per share (Note 10(e))	\$ (0.007)	\$ (0.004)

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

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIOD FROM JANUARY 1, 2019 TO MARCH 31, 2020
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	Note	Common shares Number	Common shares Amount	Contributed surplus	Warrants	Share based compensation	Accumulated deficit	Accumulated other comprehensive income	Total
As at January 1, 2019		38,431,004	\$ 16,181,373	\$ 1,354,528	\$ 37,002	\$ 125,511	\$ (16,482,856)	\$ 24,626	\$ 1,240,184
Net loss and comprehensive loss for period		-	-	-	-	-	(172,483)	-	(172,483)
Share based payments		-	-	-	-	58,015	-	-	58,015
As at March 31, 2019		38,431,004	16,181,373	1,354,528	37,002	183,526	(16,655,339)	24,626	1,125,716
Net income and comprehensive income for period		-	-	-	-	-	101,516	-	101,516
Shares issuance re Rossland Project acquisition	10(a)	3,000,000	165,000	-	-	-	-	-	165,000
Proceeds on private placement	10(b)	400,000	12,000	-	8,000	-	-	-	20,000
Warrants expired		-	-	37,002	(37,002)	-	-	-	-
Share based payments		-	-	-	-	53,300	-	-	53,300
As at December 31, 2019		41,831,004	16,358,373	1,391,530	8,000	236,826	(16,553,823)	24,626	1,465,532
Net loss and comprehensive loss for period		-	-	-	-	-	(304,042)	-	(304,042)
As at March 31, 2020		41,831,004	\$ 16,358,373	\$ 1,391,530	\$ 8,000	\$ 236,826	\$ (16,857,865)	\$ 24,626	\$ 1,161,490

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

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	2020	2019
Operating activities		
Net loss for period	\$ (304,042)	\$ (172,483)
Add (deduct) items not affecting cash		
Realized loss on sale of marketable securities	85,896	-
Share based compensation	-	58,015
Decrease in fair value of marketable securities	148,040	-
	(70,106)	(114,468)
Change in non-cash working capital items		
Accounts receivable	(3,572)	(4,611)
Prepaid expenses	2,879	17,227
Accounts payable and accrued liabilities	(24,946)	55,137
	(95,745)	(46,715)
Investing activities		
Resource property expenditures	(13,393)	(28,100)
Proceeds on sale of marketable securities	204,548	-
	191,155	(28,100)
Financing activities		
Loan payable - related party	(48,291)	-
	47,119	(74,815)
Change in cash		
Cash, beginning of period	5,620	193,446
Cash, end of period	\$ 52,739	\$ 118,631
Non-cash transactions:		
Accounts payable settled in shares	\$ 41,157	\$ -

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CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". Currie Rose is a precious metal explorer focused on identifying high value assets in Canada and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities with the current focus on the Rossland Gold Project in British Columbia (*see note 7(2)*). The head office and principal address of the Company is located at 401 Bay Street, Suite 2100, Toronto, Ontario, Canada, M5H 2Y4.

2. BASIS OF PRESENTATION AND GOING CONCERN

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The same accounting policies, methods of computation and note disclosures are followed in these unaudited interim condensed consolidated financial statements as compared to the Company's annual consolidated financial statements for the years ended December 31, 2019 and 2018. In particular, the Company's significant accounting policies are presented as Note 3 in those audited consolidated financial statements have been consistently applied in the preparation of these unaudited interim condensed consolidated financial statements.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on May 27, 2020.

(b) Basis of presentation

Unless otherwise stated, the unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains the majority of its financing through Canadian dollar private placements. The Canadian dollar is also the Company's functional currency for Canadian exploration activities and its corporate head office in Canada.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

2 BASIS OF PRESENTATION AND GOING CONCERN, CONTINUED

(c) Risk and uncertainty as a result of the global COVID-19 pandemic

Consistent with other businesses globally, the Company's operations could be significantly adversely affected by the effects of the widespread global outbreak of COVID-19. At the same time, Currie's corporate office was also closed and executives are working remotely until further notice. As the Company's exploration is focused in British Columbia, Currie will adhere to the new Health and Safety Guidelines set by the BC provincial government, which includes revised work protocols to limit the spread of COVID-19. The exploration program for 2020 will include ground based geophysical surveys that require very limited personnel and limited drilling. As our personnel are accommodated locally and not in a camp situation, the return-to-work protocols and a safe working environment will need to accommodate appropriate controls to ensure the safety of our personnel and their families. While the Company continues to advance its exploration activity, the timelines for future studies and exploration could be impacted depending on both the continued duration and severity of the COVID-19 pandemic.

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the Company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines. As of the filing date of these unaudited interim condensed consolidated financial statements for the three months ended March 31, 2020, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these unaudited interim condensed consolidated financial statements.

(d) Going concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim condensed consolidated financial statements. Such adjustments could be material.

As at March 31, 2020, the Company had no source of operating cash flow and had an accumulated deficit of \$16,857,865 (December 31, 2019 - \$16,553,823). Working capital as at March 31, 2020 was \$222,254 compared to \$539,689 as at December 31, 2019. Net comprehensive loss for the three months ended March 31, 2020 was \$304,042 (March 31, 2019 - \$172,483). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests (*see note 7(1)(a)*).



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

2 BASIS OF PRESENTATION AND GOING CONCERN, CONTINUED

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. The unknown economic impact, continued duration and severity of the COVID-19 pandemic that has developed since March, 2020 will most likely affect the Company's ability to access capital markets and secure sufficient financing for future exploration. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these unaudited interim condensed consolidated financial statements have been prepared.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with those disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2019, including those below:

Investments

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments are initially recognized at fair value, with changes in fair value reported in profit or loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in profit or loss. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

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3. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith. The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly-traded investments:

Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

Securities that are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2.

Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

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4. RECENTLY ADOPTED IFRS STANDARD

The Company has adopted the following new and revised standard, effective January 1, 2020. This changes was made in accordance with the applicable transitional provisions. The IASB has made amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Account Estimates and Errors, which use a consistent definition of materiality throughout International Reporting Standards and the Conceptual Framework for Financial Reporting, clarifying when information is material.

In particular, the amendments clarify: (1) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and (2) the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on general purpose financial statements for much of the financial information they need. There was no accounting impact to these unaudited interim condensed consolidated financial statements on adoption of this standard.

5. ACCOUNTS RECEIVABLE

	March 31	December 31
	2020	2019
Share subscription receivable	\$ 25,000	\$ 25,000
Refundable HST ITC's	22,091	18,519
	<u>\$ 47,091</u>	<u>\$ 43,519</u>

The share subscription receivable as at March 31, 2020 and December 31, 2019 is part of the private placement that closed in August, 2018, and is due from a related party (*see note 11(b)*).



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

6. MARKETABLE SECURITIES

	March 31 2020		December 31 2019	
	Shares	\$	Shares	\$
MacDonald Mines Exploration Ltd.	<u>5,000,000</u>	<u>\$ 400,000</u>	<u>8,000,000</u>	<u>\$ 880,000</u>

As part of the sale of its interest in the Scadding property (*see note 7(1)(a)*), the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. Based on trading price as of the closing date of the sale of September 24, 2019, the investment was recognized at an initial value of \$912,000. The Company recognized a decline in market value of \$32,000 as at December 31, 2019.

During the three month period ended March 31, 2020, the Company sold 3,000,000 shares for gross proceeds of \$204,548, realizing a loss on disposal of \$85,896. A decline in fair value of \$148,040 has been recognized during the three month period ended March 31, 2020 through FVTPL, such the remaining 5,000,000 shares are being carried at their market value of \$400,000.

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2020 AND 2019

7. **RESOURCE PROPERTIES**

	<u>Opening</u>	<u>Acquisition costs</u>	<u>Geological and technical</u>	<u>Professional fees</u>	<u>Travel and admin costs</u>	<u>Value attributed to net smelter royalty</u>	<u>Sale of interest</u>	<u>Closing</u>
<u>Year ended December 31, 2019</u>								
Scadding, Canada	\$ 577,646	\$ -	\$ -	\$ 2,531	\$ -	\$ -	\$ (580,177)	\$ -
Rossland, Canada	539,803	319,000	15,543	6,512	44,983	-	-	925,841
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 1,117,451</u>	<u>\$ 319,000</u>	<u>\$ 15,543</u>	<u>\$ 9,043</u>	<u>\$ 44,983</u>	<u>\$ -</u>	<u>\$ (580,177)</u>	<u>\$ 925,843</u>
<u>Three months ended March 31, 2020</u>								
Rossland, Canada	\$ 925,841	\$ -	\$ -	\$ -	\$ 13,393	\$ -	\$ -	\$ 939,234
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 925,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 939,236</u>

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

7. RESOURCE PROPERTIES, CONTINUED

The carrying values of the Company's resources properties at March 31, 2020 were \$939,236 (December 31, 2019 - \$925,843). Management's review of these carrying values indicated that, at March 31, 2020, the properties were not impaired. The company also retains a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

(1) Scadding Township, Ontario, Canada

- (a) On April 24, 2019, the Company reached agreement in principle to sell its 49% interest in the Scadding Project ("Scadding") to MacDonald Mines Exploration Ltd. (TSX-V: BMK) ("MacDonald Mines").

Under the agreed terms, Currie Rose sold its 49% interest in the Scadding Project in exchange for:

- ◆ 8,000,000 shares of MacDonald Mines
- ◆ \$50,000 payment on transfer of title
- ◆ 3% NSR
- ◆ \$2,000,000 cash payment upon reaching commercial production - with a resulting decrease of the NSR to 2.5%
- ◆ NSR buyback of 1% for \$1,000,000
- ◆ Work obligation of \$1.5m over a three-year period

The sale closed on September 24, 2019 and was recorded as follows:

Shares of MacDonald Mines	\$ 912,000
Cash	<u>50,000</u>
Total consideration received	962,000
Costs of disposition	<u>4,233</u>
Gain on disposition	<u>\$ 957,767</u>

(2) Rossland Project, British Columbia, Canada

- (a) On April 13, 2018, the Company announced it had secured two option agreements over the Rossland Project (the "Rossland Project"), which together cover approximately 2,000 hectares of the Rossland mining camp that produced more than 2.7 million ounces of gold, 3.5 million ounces of silver and 71 tonnes of copper between 1894 and 1941 and ranks as the third largest lode gold camp in British Columbia.
- (b) Under the terms of the agreements, which were approved by the TSX Venture Exchange on May 16, 2018, Currie Rose has the right to acquire 100% of the Rossland Project from two private companies ("option holders") via a 3-stage, 4-year option, as follows:

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

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7. RESOURCE PROPERTIES, CONTINUED

(2) Rossland Project, British Columbia, Canada, continued

(c) (i) Stage 1: 1-12 months

Upfront payment of \$50,000 and issuance of 1,000,000 Currie Rose shares to each of the option holders (*see note 10(a)*);
Minimum expenditure of \$500,000 on each option agreement;
Investment by Currie Rose beyond the first year will be contingent on positive results;
Providing written notice to the Optionor, no later than 1 month prior to the first anniversary, of its intention to proceed to Stage 2.

(ii) Stage 2: 13-24 months

Upon proceeding to Stage 2, payment of \$75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 1st anniversary.
Payment of further \$75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 2nd anniversary.
Minimum expenditure of \$750,000 on each option agreement.

(iii) Stage 3: 25-48 months

Funding and completing a feasibility study - one study to apply to both option holders;
Payment of \$100,000 and issuance 2,000,000 Currie Rose shares on the 3rd anniversary (to each of the option holders);
Payment of \$100,000 and issuance of 2,000,000 Currie Rose shares on the 4th anniversary (to each of the option holders).

(d) On completion of the feasibility study or the payment obligations, the Company will own 100% of the project and will grant separately, to each option holder, a 2% NSR with Currie Rose having an option to purchase from each option holder one-half (1%) of the NSR for payment of \$1,000,000.

(e) On May 17, 2018, the Company received approval from the TSX Venture Exchange of the Rossland Project acquisition and the issuance of the 1,000,000 common shares to each of the two option holders, or collectively 2,000,000 common shares (*see note 10(a)*). The Exchange has accepted all filing documentation including a National Instrument 43-101 Technical Report (the "Technical Report") on the Rossland Project relating to the Company's first option agreement for the acquisition of 100% of the GNB property and second option agreement for the acquisition of 100% of the COE property. The GNB property and the COE properties together comprise the Rossland Project.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

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7. RESOURCE PROPERTIES, CONTINUED

(2) Rossland Project, British Columbia, Canada, continued

- (f) On June 13, 2018, the Company entered into a Purchase and Sale Agreement (the "Agreement") to acquire a 100% interest in the "Golden 8 Claim" which adjoins the south western boundary of the recently optioned Rossland Project. The Golden 8 Claim covers 296.5 hectares of the highly prospective Rossland "South Belt" and increases the coverage of Company's Rossland Project (part of the Rossland Mining Camp) to approximately 2,230 hectares.

Under the terms of the Agreement, Currie Rose exercised its right to acquire 100% of the Golden 8 Claim from a private vendor via cash payments made as follows: (i) \$16,000 on execution of the Agreement, and (ii) \$16,000 made in September, 2018.

The vendor retains a 2% NSR, while the Company has a right of repurchase of one half of the NSR (1%) by paying the vendor \$1 million.

- (g) Under the terms of the Option Amending Agreement dated February 27, 2019, the Company and the option holders agreed to extend the expenditure periods of both option agreements that make up the Rossland Project (*see note 7(2)*) by 3 months to July 12, 2019 to enable drilling and other exploration work to be completed.
- (h) Under the terms of the Second Amending Agreement To The Option Agreement dated April 11, 2019, the following transactions occurred in satisfaction of the Company's obligations arising on the first anniversary of the Rossland Project, namely:
- ◆ \$10,000 of the \$75,000 anniversary payment was paid for each of the two options (\$20,000 in total)
 - ◆ The parties agreed to pay the remaining \$65,000 for each of the two options either on closing of a financing or with 6 months (whichever comes first) (*see note 7(2)(j)*)
 - ◆ 1,500,000 shares were issued for each of the two options, or 3,000,000 shares in total (*see note 10(c)*)

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

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7. RESOURCE PROPERTIES, CONTINUED

(2) Rossland Project, British Columbia, Canada, continued

- (i) On August 21, 2019, the parties agreed to the Third Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to reflect current market conditions. Under the revised terms, the Company and the option holders agreed to reduce the exploration expenditure requirements for Stage 2 and further agreed to remove the issue of all remaining Currie Rose shares (8 million shares) in exchange for increased cash payments as set out below:

Stage 2 - April 2019 - April 2020

- ◆ Minimum expenditure of \$500,000 (previously \$750,000) for each company; payment of \$125,000 on the 2nd anniversary (per company);

Stage 3 - April 2020-April 2022

- ◆ Funding and completing a feasibility study - one study to apply to both companies, payment of \$150,000 on the 3rd anniversary (per company);
- ◆ Payment of \$175,000 on the 4th anniversary (per company).

All other conditions of the agreements remain unchanged.

- (j) Under the terms of the Second Amending Agreement To The Option Agreement re the Rossland Project (*see note 7(2)(b)*), the Company was required to make further payments of \$65,000 on each of the two options by the earlier of (i) closing of a financing, or (ii) within 6 months, or October 12, 2019.

The required payments were not made by the due date, upon which the Company received a Notice of Default on October 16, 2019. The Notice of Default indicated that in the event that the default was not cured or disputed within 30 days, the option holders may then provide Notice of Termination of the Option Agreement to Currie Rose pursuant to Clause 11.03 of the Option Agreement.

On November 15, 2019, the option holders accepted two payments of \$30,000 (\$60,000 in total) as partial payment of each remaining \$65,000 obligation (\$130,000 in total), and agreed to forbear any further steps toward termination of the Option Agreement re the Rossland Project pending receipt of the balance of the funds due of \$70,000 in total. The remaining balance was paid in full in January, 2020.



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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Stated in \$CAD)

(Unaudited - Prepared by Management)

7. **RESOURCE PROPERTIES, CONTINUED**

(2) Rossland Project, British Columbia, Canada, continued

- (k) Effective March 30, 2020, the parties agreed to the Fourth Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to take into account current market conditions as well as practical limitations on work requirements due to the global COVID-19 pandemic.

Under the revised terms, the option holders have agreed to forgo all expenditure requirements for the current Stage 2 period and have further agreed to reduce the total minimum expenditure to \$1,000,000 and to be completed by January 14, 2023.

The Company is to maintain the claims in good standing by paying all permit and statutory expenditures and has further agreed that should the Company not meet the new minimum expenditure, it can rectify any breach by paying the option holders a total of \$100,000 cash.

The overall option payments previously agreed to remain in place. However, the option holders have agreed to accept quarterly instalments thereby extending the term to April, 2023 (from the initial date of April, 2022), as follows: Stage 2 - quarterly payments of \$62,500 (\$250,000 annually) beginning July 14, 2020; Stage 3 - quarterly payments of \$75,000 (\$300,000 annually) beginning July 14, 2021; Stage 4 - quarterly payments of \$87,500 (\$350,000 annually) beginning July 14, 2022.

All other conditions of the agreements remain unchanged and at the completion of the above, the project will be 100% owned by Currie Rose.

8. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31 2020	December 31 2019
Trade accounts payable	\$ 251,036	\$ 252,498
Accrued liabilities	27,500	92,500
	\$ 278,536	\$ 344,998

Trade accounts payable as at March 31, 2020 includes \$243,676 (December 31, 2019 - \$234,377) of unpaid management fees owing to the related parties disclosed in note 11. Accrued liabilities as at March 31, 2020 includes \$Nil (December 31, 2019 - \$70,000) related to Rossland option payments (*see note 7(2)(j)*), which amount was paid in January, 2020.

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9. LOAN PAYABLE - RELATED PARTY

Over the course of 2019, an entity controlled by the CEO made loan advances of \$48,291 to the Company. The loan bore interest at 3% per annum, was unsecured and due on demand, and was repaid in full on March 27, 2020.

10. SHARE CAPITAL

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the unaudited interim condensed consolidated statements of changes in shareholders' equity for the period from January 1, 2019 to March 31, 2020. Descriptions of the significant changes in each component are as follows:

(a) Common shares issued re Rossland Project - April, 2019

On April 16, 2019, the Company issued 3,000,000 common shares valued at \$165,000 in satisfaction of its obligations arising on the 2nd anniversary of the Rossland Project acquisition (see note 7(2)(c)(ii))

(b) Private placement - December 27, 2019

(i) On December 27, 2019, the Company closed a private placement of 400,000 units at a price of \$0.05 each for gross proceeds of \$20,000, with each unit comprised of one common share and one share purchase warrant. Under the offering, the Company issued a total of 400,000 common shares and 400,000 warrants. The securities will be subject to hold periods in accordance with requisite securities laws. The exercise price of the warrants is \$0.10 per warrant, with an expiry date of October 21, 2021. Proceeds from this offering were used for work on the Company's Rossland project and general working capital.

(ii) Of the gross proceeds received, \$8,000 were allocated to warrants using the residual method of valuation, as the unit price of \$0.05 was in excess of the trading price of the common shares of \$0.03 on the closing date.

(c) On February 6, 2019, 2016 the Company granted options for the purchase of up to 2,050,000 common shares at a price of \$0.075 per share exercisable until February 6, 2024, all of which vested immediately. The fair value of these options was calculated with the Black-Scholes option pricing model. Using the assumptions of: (1) risk free interest rate of 1.84%, (2) expected volatility of 152%, (3) expected life of 5 years, and (4) dividend yield of 0.0%, the total fair value of the options granted was deemed to be \$111,315.

(d) In 2019 Q4, 11,650,000 previously issued warrants exercisable at \$0.10 expired unexercised.

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10. SHARE CAPITAL, CONTINUED

(e) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the three months ended March 31, 2020 was 41,831,004 (2019 - 38,431,002).

11. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel and directors compensation:

During the three month periods ended March 31, 2020 and 2019, the Company had the following related party transactions, including (i) compensation of key management personnel and directors, and (ii) transactions with entities related to or controlled by officers and/or directors, as follows:

	2020	2019
Management fees	\$ 48,000	\$ 48,000
Share based payments	-	58,015
Interest	-	9

- (b) Accounts payable and accrued liabilities as at March 31, 2020 includes \$243,676 (December 31, 2019 - \$234,377) with respect to balances owing to related parties for the transactions disclosed above (*see note 8*). On January 14, 2020, the Company agreed to transfer 514,465 shares of MacDonald Mines Exploration Ltd. (*see note 6*) in settlement of its outstanding accounts payable to the related party described in note 11(c)(ii) at an ascribed value of \$41,157.

Accounts receivable includes a share subscription receivable of \$25,000 (December 31, 2019 - \$25,000) from a company controlled by a director (*see note 5*).

The loan payable to the related party of \$48,291 was repaid in full, without interest, on March 27, 2020 (*see note 8*).

- (c) Management fees expensed during the three month period ended March 31, 2020 consist of \$30,000 (March 31, 2019 - \$30,000) billed by an entity controlled by the CEO (for his services as CEO) (*see note 11(c)(i)*) and \$18,584 (March 31, 2019 - \$18,000) billed by an entity related to a director (*see note 11(c)(ii)*):

- (i) Effective July 1, 2017, the CEO entered into a revised contract for management services at a rate of \$10,000 per month compared to the prior rate of \$2,200 per month. The contract is for a 2 year term expiring on June 30, 2019, automatically renewing for a further 3 years upon expiry (unless terminated previously).

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11. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES, continued

- (ii) On July 1, 2017, the Company entered into a new contract for management and administrative services that replaced the pre-existing management services agreement described above. The contract is billed on a monthly basis at a rate of \$6,000 and includes the services of the CFO and corporate secretary, office rent and regular administrative functions. The contract, with a company related to a recently appointed director, has a three-month notice period and renews annually.

12. COMMITMENTS

As at March 31, 2020, the Company has the following commitments:

- (a) option payments on its Rossland property as described in note 7(2)(k)
- (b) the related party commitments as described in note 11,
- (c) a residential lease for use by out-of-town staff at a monthly rate of \$900 for a period of twelve months commencing September 1, 2019, with a lessee option to renew for twelve months at a monthly rate subject to a maximum increase of 10%;
- (d) an office lease at a monthly rate of \$1,000 for a period of twelve months commencing November 1, 2019, with a lessee option to renew for the rate and term subject to negotiation.

13. SEGMENTED INFORMATION

With the disposition of its various resource property interests outside of Canada over the last number of years, the Company conducts its business in a single operating segment that consists of its Canadian resource property interest in Rossland, BC.

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14. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value of financial instruments

The fair values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities and loan payable - related party approximate their fair values due to the short-term or demand nature of these balances.

(a) Fair value hierarchy

A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs that are observable other than quoted prices included in level one. Level 3 includes inputs that are not based on observable market data.

	<u>2020</u>	<u>2019</u>
	\$	\$
Level 1		
Cash	52,739	5,620
Marketable securities	400,000	880,000
Level 3		
Accounts receivable	47,091	43,519

(b) Classification of financial instruments

The classification and measurement of the financial assets and liabilities, as well as their carrying amounts and fair values are as follows:

Assets/liabilities	Measurement	March 31, 2020		December 31, 2019	
		Cost	Fair value	Cost	Fair value
		\$	\$	\$	\$
Cash	Fair value	52,739	52,739	5,620	5,620
Accounts receivable	Amortized cost	47,091	47,091	43,519	43,519
Marketable securities	Fair value	570,000	400,000	912,000	912,000
Accounts payable and accrued liabilities	Amortized cost	278,536	278,536	344,998	344,998

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14. FINANCIAL INSTRUMENTS AND RISK FACTORS, continued

(c) Credit risk

The Company's credit risk is attributable to accounts receivable, which is comprised of refundable HST ITC's and share subscriptions receivable. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(d) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period. However, as at March 31, 2020, the Company believes the exposure to liquidity risk is significant (*see note 1(d)*) although it holds no arms-length financial liabilities, other than current accounts payable and accrued expenses, that are not adequately covered through working capital and it has no funding commitments that are not at its discretion.

(e) Market risk

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.