

Gitennes Exploration Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

Unaudited

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 Company's 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 condensed interim consolidated 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 the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Ken Booth"

Chief Executive Officer

"Kerry Spong"

Chief Financial Officer

May 25, 2020

Gitennes Exploration Inc.

Condensed Interim Consolidated Balance Sheets

Canadian Funds

Unaudited

	March 31, 2020	December 31, 2019
ASSETS		
Current		
Cash	\$ 88,127	\$ 3,177
Accounts receivable	1,612	23,328
Prepaid expenses	51,847	72,055
	<u>141,586</u>	<u>98,560</u>
Reclamation Bond	31,500	31,500
Equipment	2,961	3,117
	<u>\$ 176,047</u>	<u>\$ 133,177</u>
LIABILITIES		
Current		
Trade payables and accrued liabilities (Note 5)	\$ 269,154	\$ 259,535
Deferred flow-through premium liability (Note 3a)	2,672	2,672
	<u>271,826</u>	<u>262,207</u>
Long-Term Debt – Related Parties (Note 5)	42,500	42,500
	<u>314,326</u>	<u>304,707</u>
SHAREHOLDERS' DEFICIENCY		
Share Capital (Note 3a)	33,967,305	33,967,305
Contributed Surplus	1,869,922	1,869,922
Deficit	(35,975,506)	(36,008,757)
	<u>(138,279)</u>	<u>(171,530)</u>
	<u>\$ 176,047</u>	<u>\$ 133,177</u>

Nature of Operations and Going Concern (Note 1)

ON BEHALF OF THE BOARD:

"Ken Booth", Director

"Robert Matthews", Director

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Changes In Shareholders' Deficiency

For the Three Months Ended March 31

Canadian Funds

Unaudited

	Share Capital (Note 3a)	Contributed Surplus	Deficit	Total
Balance – December 31, 2018	\$ 33,478,059	\$ 1,766,086	\$ (35,394,586)	\$ (150,441)
Comprehensive loss for the period	-	-	(42,762)	(42,762)
Balance – March 31, 2019	\$ 33,478,059	\$ 1,766,086	\$ (35,437,348)	\$ (193,203)
Balance – December 31, 2019	\$ 33,967,305	\$ 1,869,922	\$ (36,008,757)	\$ (171,530)
Comprehensive income for the period	-	-	33,251	33,251
Balance – March 31, 2020	\$ 33,967,305	\$ 1,869,922	\$ (35,975,506)	\$ (138,279)

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements Of Comprehensive Income (Loss)

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2020	2019
Expenses		
Accounting and audit	\$ 14,250	\$ 14,250
Depreciation	156	195
Exploration and evaluation (Note 4)	(96,494)	-
Interest income (Note 4)	(1,561)	-
Interest on long-term debt (Note 5)	847	838
Management fees	15,000	15,000
Office, rent, and miscellaneous	1,730	5,019
Part XII.6 tax (Note 3a)	1,730	-
Promotion and public relations	23,877	-
Shareholder information	-	787
Stock exchange and filing	1,300	1,300
Transfer agent	1,030	1,186
Travel and accommodation	4,884	3,187
Income (Loss) before Other Item	33,251	(41,762)
Impairment of Due from AndeanGold Ltd. (Note 4)	-	(1,000)
Comprehensive Income (Loss) for the Period	\$ 33,251	\$ (42,762)
Earnings (Loss) per Share – Basic and Diluted	\$ 0.00	\$ (0.00)
Weighted-Average Number of Shares Outstanding – Basic and Diluted	105,994,135	87,029,759

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2020	2019
Cash Flows from Operating Activities		
Income (loss) for the period	\$ 33,251	\$ (42,762)
Items not involving cash		
Impairment of Due from AndeanGold Ltd.	-	1,000
Depreciation	156	195
Changes in non-cash working capital items		
Accounts receivable	21,716	1,946
Prepaid expenses and other	20,208	(2,654)
Trade payables and accrued liabilities	9,619	26,157
Change in Cash Position	84,950	(16,118)
Cash Position - Beginning of Period	3,177	41,126
Cash Position - End of Period	\$ 88,127	\$ 25,008

- the accompanying notes are an integral part of these financial statements -

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

1. Nature of Operations and Going Concern

Gitennes Exploration Inc. (“the Company”) is incorporated in the province of British Columbia with its principal office located at 410 – 325 Howe Street, Vancouver, British Columbia. The Company is currently exploring two properties in British Columbia and has a royalty interest in a mineral property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain mineral reserves.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of revenue and will require cash to maintain its mineral interests and to meet its administrative overhead. As at March 31, 2020, the Company had a working capital deficiency of \$130,240 and an accumulated deficit of \$35,975,506.

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. In addition, the out-break of the COVID-19 pandemic has introduced significant uncertainty in the capital markets, which may affect the ability of junior exploration companies to raise equity to fund exploration activities.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant Accounting Policies and Basis of Presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These interim statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2019. All financial information presented herein is unaudited. The Company’s board of directors approved these financial statements for issue on May 25, 2020.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

3. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding

	Shares	Amount
Balance – December 31, 2018	87,029,759	\$ 33,478,059
Private placement – units	5,288,000	140,700
Private placement – flow-through units	10,608,000	328,262
Share issuance costs	-	(47,719)
Finders' warrants issued	-	(16,438)
Flow-through premium	-	(22,952)
Shares issued for Maroon property (Note 4)	300,000	10,500
Shares issued for Snowbird property (Note 4)	2,000,000	70,000
Shares issued in settlement of debt	768,376	26,893
Balance – December 31, 2019 and March 31, 2020	105,994,135	\$ 33,967,305

In September 2019, the Company completed a private placement by issuing 5,288,000 units at a price of \$0.035 per unit for gross proceeds of \$185,080 and 10,608,000 flow-through units at a price of \$0.035 per flow-through unit for gross proceeds of \$371,280. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 per share for a period of three years. Each flow-through unit consisted of one common flow-through share and one two-year non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 per share in the first year or \$0.06 per share in the second year. The Company paid finders' fees of \$39,189, issued 1,119,680 finders' warrants, paid a \$5,000 corporate finance fee, and \$3,530 in legal and filing fees in respect of the placement. The unit price of this offering exceeded the trading price of the shares on the date of issuance, therefore, \$87,398 of the unit proceeds, being the estimated residual value, was assigned to the warrants and classified as contributed surplus.

The value of the flow-through feature of the flow-through shares was estimated at \$22,952 resulting in a flow-through premium liability, which, upon incurring the required qualifying exploration expenditures, will be derecognized and a deferred income tax recovery will be recorded. To March 31, 2020, the Company had incurred qualifying expenditures totalling \$328,057 and derecognized \$20,280 of the premium liability. The balance of the deferred flow-through premium liability of \$2,672 will be derecognized upon completion of the qualifying expenditures. To March 31, 2020, the Company recorded Part XII.6 tax payable of \$1,730 in respect of the remaining balance of the qualifying expenditures to be incurred in 2020.

In October 2019, the Company issued 768,376 common shares from treasury in settlement of an outstanding account payable of \$38,418 due to an arm's length supplier by issuing shares with a fair value of \$26,893.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

3. Share Capital - continued

b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2018	6,450,000	\$ 0.05
Expired	(100,000)	\$ 0.05
Balance – December 31, 2019 and March 31, 2020	6,350,000	\$ 0.05

As at March 31, 2020, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
2,400,000	\$ 0.05	October 28, 2021
1,500,000	\$ 0.05	February 15, 2022
600,000	\$ 0.05	June 22, 2022
400,000	\$ 0.12	October 25, 2022
1,450,000	\$ 0.05	August 21, 2023
6,350,000		

As at March 31, 2020, the outstanding options had a weighted-average remaining life of 2.19 years; all outstanding options had vested and were exercisable.

c) Warrants

Details of share purchase warrant activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2018	11,975,299	\$ 0.13
Issued	17,015,680	\$ 0.05
Expired	(3,886,666)	\$ 0.25
Balance – December 31, 2019 and March 31, 2020	25,104,313	\$ 0.06

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

3. Share Capital - continued

c) Warrants - continued

As at March 31, 2020, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
3,996,640	\$ 0.085	June 22, 2020
3,746,693	\$ 0.100	June 22, 2020
90,900	\$ 0.085	July 12, 2020
240,000	\$ 0.100	July 12, 2020
14,400	\$ 0.085	July 14, 2020
8,022,000	\$ 0.050	September 12, 2021 (i)
633,760	\$ 0.050	September 12, 2021
2,586,000	\$ 0.050	September 18, 2021 (ii)
1,740,000	\$ 0.050	September 12, 2022
4,033,920	\$ 0.050	September 18, 2022
<u>25,104,313</u>		

(i) Exercise price increases to \$0.06 per share on September 12, 2020.

(ii) Exercise price increases to \$0.06 per share on September 18, 2020.

As at March 31, 2020, the outstanding warrants had a weighted-average remaining life of 1.29 years.

4. Exploration and Evaluation

Details of the Company's mineral interests are as follows:

Snowbird, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. To earn its interest, the Company, at its option, must issue 12,000,000 shares and incur \$1,500,000 in exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval (issued)	6,000,000	\$ -
On or before September 30, 2018		
(issued/incurred)	2,000,000	500,000
On or before September 30, 2019 (issued)	2,000,000	-
On or before December 31, 2019 (incurred)	-	500,000
On or before September 30, 2020	2,000,000	500,000
	<u>12,000,000</u>	<u>\$ 1,500,000</u>

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

4. Exploration and Evaluation - *continued*

Snowbird, Canada - *continued*

During 2019, the Company issued 2,000,000 shares with a fair value of \$70,000 to the optionors. A finder's fee is payable on the transaction, which requires the issuance of shares in stages as the Company issues shares to the optionor. The agreement provides for a 2% net smelter returns royalty ("NSR") that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR.

Maroon, Canada

In May 2018, the Company entered into an option agreement to acquire a 100% interest in the Maroon gold property located 35 kilometres north of Terrace, British Columbia. Upon regulatory approval, the Company paid the optionor \$15,000 and issued 300,000 shares and can acquire its interest by issuing, at its option, an additional 600,000 shares and making exploration expenditures of \$400,000 as follows:

	Shares	Expenditures
Upon regulatory approval (<i>issued</i>)	300,000	\$ -
On or before September 30, 2019 (<i>issued</i>)	300,000	-
On or before May 31, 2020 (<i>i</i>)	-	150,000
On or before September 30, 2020	300,000	250,000
	900,000	\$ 400,000

(i) The optionor granted an eight-month extension from the original expenditure requirement date.

During 2019, the Company issued 300,000 shares to the optionor, with a fair value of \$10,500. A finder's fee is payable on the transaction, which requires the issuance of shares in stages as the Company issues shares to the optionor. The agreement provides for a 2% NSR, one-half of which may be purchased by the Company upon payment of \$500,000.

Urupalqui, Peru

In December 2014, AndeanGold Ltd. ("Andean") earned a 100% interest in the Company's Urupalqui project situated in north-central Peru. The Company retained an uncapped NSR of 1.5% on all metals produced at Urupalqui, with no buy-out or other provisions attached. In addition, the Company retained a convertible debenture receivable from Andean with a face value of \$475,000, an annual interest rate of 6%, and which is convertible into shares of Andean, at the Company's option, at a conversion rate of \$0.06 per Andean share.

Since October 1, 2015, the common shares of Andean have been subject to a Cease-Trade Order issued by the British Columbia Securities Commission due to a default in complying with its continuous disclosure filing requirements. On December 31, 2015, the Company recorded an impairment loss to write down the carrying value to a nominal balance of \$1,000 and in 2019, recorded a full write-down of this receivable. Management remains committed to collecting the full amount of the debenture, plus accrued interest, as future circumstances permit.

The Company also holds 663,000 common shares of Andean, which are carried at nominal value.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

Canadian Funds

Unaudited

4. Exploration and Evaluation - *continued*

Exploration and evaluation expenditures

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. There were no expenditures incurred for the current or comparative periods ended March 31. In February 2020, the Company received a mineral exploration tax credit refund of \$96,494 plus interest of \$1,561.

Title

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its Snowbird and Maroon properties, and its NSR on the Urumalqui property and to the best of its knowledge, ownership of these interests is in good standing.

5. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties. Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

	2020		2019	
Administrative consulting fees	\$	15,000	\$	15,000
Accounting fees		10,500		10,500
	\$	25,500	\$	25,500

Accounts payable includes \$226,750 (December 31, 2019 - \$214,000) in accrued administrative and geological consulting and accounting fees due to the chief executive officer and the chief financial officer.

In addition, the chief executive officer and the chief financial officer have agreed to waive payment of accrued administrative consulting and accounting fees totalling \$42,500 such that payment will not be required within twelve months. Accordingly, this balance has been classified as long-term debt in these financial statements. These amounts bear interest at 8% per annum; during the period, interest totalling \$847 was paid on these amounts.

6. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has two exploration projects in British Columbia, Canada and a royalty interest in a property located in Peru that is owned by Andean.
