



STRIKEPOINT GOLD INC.

Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2020 and 2019

(Unaudited)

These unaudited condensed consolidated interim financial statements of Strikepoint Gold Inc. for the three months ended March 31, 2020 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

STRIKEPOINT GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT

(Unaudited)

(Expressed in Canadian dollars)

	March 31, 2020	December 31, 2019
ASSETS		<i>Audited</i>
Current		
Cash and equivalents	\$ 328,759	\$ 432,110
Marketable securities (Note 3)	330,000	-
Receivables	27,995	103,587
Prepaid expenses and deposits	15,994	42,396
	702,748	578,093
Reclamation bond	49,000	49,000
	\$ 751,748	\$ 627,093
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 89,035	\$ 103,156
Shareholders' equity		
Share capital (Note 6)	38,040,702	37,290,702
Reserves (Note 6)	8,162,887	8,073,704
Deficit	(45,540,876)	(44,840,469)
	662,713	523,937
	\$ 751,748	\$ 627,093

Nature of operations and going concern (Note 1)**Significant event** (Note 2)**Subsequent event** (Note 11)**On behalf of the Board:**

"Shawn Khunkhun" Director
Shawn KhunKhun

"Ian Harris" Director
Ian Harris

See accompanying notes to these unaudited condensed consolidated interim financial statements

STRIKEPOINT GOLD INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

THREE MONTHS ENDED MARCH 31,

(Unaudited)

(Expressed in Canadian dollars)

	2020	2019
EXPENSES		
Amortization	\$ -	\$ 265
Consulting	-	30,000
Exploration costs (Notes 4 and 7)	69,855	99,601
Management fees (Note 7)	45,000	45,000
Office	12,433	5,801
Professional fees (Note 7)	18,054	23,318
Property acquisition payments (Note 4(b))	750,000	60,000
Rent	9,900	9,000
Share-based payments	89,183	-
Shareholder communication	62,011	39,140
Transfer agent and filing fees	18,611	2,017
Travel and related costs	5,564	5,396
Loss from operations	(1,080,611)	(319,538)
Gain on sale of mineral properties (Note 4)	710,000	-
Interest income	204	318
Unrealized loss on marketable securities (Note 3)	(330,000)	-
	380,204	318
Loss and comprehensive loss for the period	\$ (700,407)	\$ (319,220)
Loss per common share (basic and diluted)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding (basic and diluted)	122,058,436	74,085,392

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31,
(Unaudited)
(Expressed in Canadian dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (700,407)	\$ (319,220)
Items not affecting cash:		
Amortization	-	265
Gain on sale of mineral properties	(710,000)	-
Share-based payments	89,183	-
Shares issued for property acquisition	750,000	-
Unrealized loss on marketable securities	330,000	-
Change in non-cash working capital items:		
Decrease (increase) in receivables	75,592	(6,602)
Decrease in prepaid expenses and deposits	26,402	2,494
Decrease in accounts payable and accrued liabilities	<u>(14,121)</u>	<u>(118,030)</u>
Net cash used in operating activities	<u>(153,351)</u>	<u>(441,093)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of reclamation bond	<u>-</u>	<u>(39,000)</u>
Net cash used in investing activity	<u>-</u>	<u>(39,000)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from sale of mineral properties	50,000	-
Subscriptions received in advance	<u>-</u>	<u>761,665</u>
Net cash provided by financing activity	<u>50,000</u>	<u>761,665</u>
Change in cash and equivalents during the period	(103,351)	281,572
Cash and equivalents, beginning of period	<u>432,110</u>	<u>533,703</u>
Cash and equivalents, end of period	\$ 328,759	\$ 815,275
Cash and equivalents consists of:		
Cash	\$ 228,759	\$ 715,275
Guaranteed Investment Certificates (less than 90 days)	<u>100,000</u>	<u>100,000</u>
	<u>\$ 328,759</u>	<u>\$ 815,275</u>

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital		Subscriptions Received	Special Warrants	Reserves	Deficit	Total
	Number	Amount					
Balance at December 31, 2018	74,085,392	\$ 33,305,112	\$ -	\$ 384,000	\$ 7,524,304	\$ (40,879,266)	\$ 334,150
Subscriptions received in advance	-	-	761,665	-	-	-	761,665
Comprehensive loss for the period	-	-	-	-	-	(319,220)	(319,220)
Balance at March 31, 2019	74,085,392	\$ 33,305,112	\$ 761,665	\$ 384,000	\$ 7,524,304	\$ (41,198,486)	\$ 776,595
Balance at December 31, 2019	110,558,436	\$ 37,290,702	\$ -	\$ -	\$ 8,073,704	\$ (44,840,469)	\$ 523,937
Issuance of common shares	15,000,000	750,000	-	-	-	-	750,000
Share-based payments	-	-	-	-	89,183	-	89,183
Comprehensive loss for the period	-	-	-	-	-	(700,407)	(700,407)
Balance at March 31, 2020	125,558,436	\$ 38,040,702	\$ -	\$ -	\$ 8,162,887	\$ (45,540,876)	\$ 662,713

See accompanying notes to these unaudited condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the “Company”) is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange under the symbol “SKP”. The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company’s head office and principle address is 300 - 1055 West Hastings Street, Vancouver, BC, V6E 2E9. The registered and records office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at March 31, 2020, the Company has an accumulated deficit of \$45,540,876 and has working capital of \$613,713. However, additional financing will be required to carry out exploration and development of its properties. These matters indicate the existence of material uncertainties that raises substantial doubt about the Company’s ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were authorized for issue on May 29, 2020 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned subsidiary Mount Rainey Silver Inc. (“Mount Rainey”) and its wholly-owned inactive subsidiary, Braveheart Gold Inc. All intercompany accounts and transactions have been eliminated on consolidation.

During January 2020, the Company acquired 100% of the shares of Mount Rainey from Skeena Resources Ltd. (“Skeena”), in conjunction with the acquisition of the Porter Idaho Property. Mount Rainey is the holder of the Porter Idaho Property and, as per the terms of the mineral property acquisition agreement, the Company acquired Mount Rainey and title to the Porter Idaho property by making the final payment of \$750,000 to Skeena by way of the issuance of 15,000,000 common shares of the Company to Skeena. All accounts of Mount Rainey have been consolidated into these financial statements. (Note 4(b)).

Basis of preparation

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)***Basis of preparation*** (cont'd)

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and, therefore, should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2019. In particular, the Company's significant accounting policies where were presented in Note 2 to the consolidated financials for the fiscal year ended December 31, 2019 have been consistently applied in the preparation of the Company's condensed consolidated interim financial statements.

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

3. MARKETABLE SECURITIES

		March 31, 2020		December 31, 2019
American Creek Resources Ltd. (a)	\$	150,000	\$	-
Sitka Gold Corp. (b)		180,000		-
Total	\$	330,000	\$	-

- (a) During the three months ended March 31, 2020, the Company received 3,000,000 common shares of American Creek Resources ("AMC"), a Canadian public company, with a fair value of \$210,000, as consideration for the sale of the Glacier Creek property. (Note 4(C))

At March 31, 2020, the fair value of the AMC shares decreased to \$150,000. As a result, the Company recorded an unrealized loss on marketable securities of \$60,000 for the three months ended March 31, 2020 (March 31, 2019 - \$Nil).

- (b) During the three months ended March 31, 2020, the Company received 2,000,000 common shares of Sitka Gold Corp. ("Sitka"), a public company, with a fair value of \$450,000, as consideration for the sale of the Mahtin property. (Note 4(C))

At March 31, 2020, the fair value of the Sitka shares decreased to \$180,000. As a result, the Company recorded an unrealized loss on marketable securities of \$270,000 for the three months ended March 31, 2020 (March 31, 2019 - \$Nil).

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

4. EXPLORATION AND EVALUATION ASSETS

Exploration Costs	Willoughby Property (A)	Porter Idaho Property (B)	Yukon Properties (C)	Other Properties (D, E, F, G)	Total – 3 Months ended March 31, 2020
Drilling and assaying costs	\$ -	\$ -	\$ -	\$ -	\$ -
Field costs	3,603	-	-	-	3,603
Geological consulting	66,252	-	-	-	66,252
Helicopter and fuel	-	-	-	-	-
Total	\$ 69,855	\$ -	\$ -	\$ -	\$ 69,855

Exploration Costs	Willoughby Property (A)	Porter Idaho Property (B)	Yukon Properties (C)	Other Properties (D, E, F, G)	Total – Year ended December 31, 2019
Drilling and assaying costs	\$ 475,545	\$ 8,238	\$ 1,168	\$ -	\$ 484,951
Field costs	368,009	143,358	-	-	511,367
Geological consulting	415,923	77,498	-	-	493,421
Helicopter and fuel	429,342	9,924	-	-	439,266
Total	\$ 1,688,819	\$ 239,018	\$ 1,168	\$ -	\$ 1,929,005

A) WILLOUGHBY PROPERTY

During April 2019, the Company acquired a 100% interest in the Willoughby property, located in northwestern British Columbia, from ArcWest Exploration Inc. (“ArcWest”) (formerly Sojourn Exploration Inc.), a Canadian public company, for a cash payments of \$10,000 (paid) and \$75,000 (paid) and the issuance of 3,000,000 common shares (issued and valued at \$420,000). During March 2019, the Company incurred a reclamation bond payment in the amount of \$39,000.

ArcWest will retain a 1.5% net smelter return, which can be reduced by 0.50% for an additional \$1,000,000 cash payment.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

B) PORTER IDAHO PROPERTY

On August 15, 2018 (and amended February 11, 2019), the Company completed an acquisition agreement regarding the Porter Idaho property, near Stewart, British Columbia, with Skeena Resources Limited (TSXV: SKE) ("Skeena") (the "Porter Idaho Transaction"), whereby the Company will purchase the property indirectly through the acquisition of all of the shares of Mount Rainey Silver Inc., a wholly-owned subsidiary of Skeena. The terms of the Porter Idaho Transaction are as follows:

- \$1,521,000 payable in cash to Skeena (\$250,000 was paid on completion of the Porter Idaho Transaction and \$521,000 was paid during the year ended December 31, 2019), with the final \$750,000 to be paid by December 31, 2019 in cash or in the equivalent value of common shares or special warrants of the Company, at the Company's election (issued 15,000,000 common shares during January 2020 (Note 6(b)));
- issuance to Skeena of 7,100,000 Strikepoint common shares (issued August 15, 2018 – valued at \$1,136,000);
- issuance to Skeena of 2,400,000 special warrants of Strikepoint (issued August 15, 2018 – valued at \$384,000). These special warrants (converted on July 30, 2019) had a five-year term. Each special warrant was convertible into common shares of the Company for no additional consideration at the time of conversion.
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$750,000.

The acquisition of Mount Rainey Silver Inc. closed on January 22, 2020 (Note 2).

C) YUKON PROPERTIES

On March 28, 2017, the Company signed a definitive agreement with IDM Mining Ltd. ("IDM"), now a wholly-owned subsidiary of Ascot Resources Ltd. (a Canadian public company), to purchase a 100% interest in a portfolio of 14,031 claims defining 22 properties over 282,000 hectares located in the Yukon, Canada. The terms of the agreement are as follows:

- pay \$150,000 in cash (paid);
- issue 10,500,000 common shares of the Company with a value of \$4,042,500 (issued); and
- incur \$1,500,000 in exploration expenditures by December 31, 2017 (incurred).

IDM has been granted an equity participation right, allowing it to maintain its pro-rata interest. IDM has a right of first refusal for two years on the sale of any of the Yukon properties.

During the three months ended March 31, 2020, the Company sold the Mahtin property to Sitka Gold Corp. in exchanged for the issuance of 2 million shares to Strikepoint (received). The Company has retained a 1% NRS, which can be purchased for a cash payment of \$1 million. The Company recorded an accounting gain of \$450,000 on the sale of the Mahtin property.

Also during the three months ended March 31, 2020, the Company sold the Glacier Creek property to American Creek Resources Ltd. in exchange for the issuance of 3 million common shares to Strikepoint (received) and a cash payment of \$50,000 (received). The Company has retained a 0.5% NRS, which can be purchased for a cash payment of \$500,000. The Company recorded an accounting gain of \$260,000 on the sale of the Glacier Creek property.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

4. EXPLORATION AND EVALUATION ASSETS (cont'd)**D) HANDSOME JACK PROPERTY**

During August, 2018, the Company completed an acquisition agreement with Trifecta Gold Ltd. (TSXV: TG) (“Trifecta”) to purchase the Handsome Jack property, adjacent to the Porter Idaho property, near Stewart, British Columbia (the “Transaction”). The terms of the Transaction are as follows:

- \$25,000 payable in cash to Trifecta (paid);
- issuance to Trifecta of 250,000 Strikepoint common shares (issued – valued at \$42,500); and
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$500,000.

E) BIG, BADA AND BOOM PROPERTIES

During September 2018, the Company acquired, by staking, the Big, Bada and Boom properties contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC. Staking costs totaled \$2,547.

F) LOBSTICK PROPERTY - ONTARIO

The Company owns a 100% interest in the Lobstick property located in the Lobstick area near the Lake of the Woods, Ontario. The Lobstick property is subject to a 3% net smelter return royalty upon commencement of commercial production, for which the Company may repurchase two-thirds of the 3% net smelter return royalty for \$1,000,000 for each one-third repurchased.

The Company must pay and issue to the former Optionor:

- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property; and
- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property.

The property is on care and maintenance.

G) ANGELINA PROPERTY - MANITOBA

The Company's owns a 100% interest in the Angelina property, located in Rice Lake Belt, Manitoba. The property is on care and maintenance.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2020	December 31, 2019
Accounts payable (Note 7)	\$ 65,035	\$ 70,831
Accrued liabilities	24,000	32,325
Total	\$ 89,035	\$ 103,156

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at March 31, 2020, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

b) Issued share capital

On April 8, 2019, the Company completed a private placement for gross proceeds of \$1,271,920 consisting of 11,562,908 common share units at \$0.11 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a three-year period. Finders' fees payable in connection with the financing consisted of \$64,072 cash and 518,880 finders' warrants which are exercisable on the same terms as the unit warrants. The finders' warrants were valued at \$39,000 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.73% and an expected volatility of 97.11%.

On April 15, 2019, the Company issued 3,000,000 common shares, valued at \$420,000, pursuant to the Willoughby property acquisition described in Note 4, for which the market value on the date of issuance was \$0.14 per share.

On July 22, 2019, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$2,090,490 consisting of 6,945,000 flow-through common share units at a price of \$0.16 per unit and 8,902,636 non-flow-through common share units at a price of \$0.11 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 per share for a three-year period. The Company recognized a flow through premium liability of \$347,250 on issuance. The residual value of the flow through portion of the first tranche of \$937,575 was allocated to share capital. To December 31, 2019, the Company expended \$1,111,200 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to \$Nil. Finders' fees payable in connection with the financing consisted of \$43,706 cash and 275,347 finder's warrants. The warrants were valued at \$19,900 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.68% and an expected volatility of 98.3%.

On July 30, 2019, the Company completed the second tranche of a non-brokered private placement for gross proceeds of \$481,000 consisting of 1,562,500 flow-through shares at \$0.16 per share and 2,100,000 non-flow-through units at \$0.11 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.20, for a three-year period. The Company recognized a flow through premium liability of \$78,125 on issuance. The residual value of the flow through portion of the first tranche of \$218,750 was allocated to share capital. To December 31, 2019, the Company expended an additional \$250,000 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to \$Nil. Finders' fees payable in connection with this tranche consisted of \$38,205 cash and 290,500 finder's warrants. The warrants were valued at \$18,900 using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.68% and an expected volatility of 98.3%.

On July 30, 2019, the Company issued 2,400,000 common shares in conjunction with the conversion of Special Warrants (Note 4(B)).

On January 22, 2020, the Company issued 15,000,000 common shares to Skeena as a final payment in conjunction with the acquisition of Mount Rainey Silver Inc. (Note 4(B)).

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

Details of stock options outstanding and exercisable as at March 31, 2020 are as follows:

Number of Shares	Exercise Price	Expiry Date
1,200,000	\$0.15	April 26, 2021
500,000	\$0.20 *	October 25, 2021
2,050,000	\$0.20 **	May 9, 2022
1,650,000	\$0.20	September 25, 2023
1,500,000	\$0.14	April 9, 2024
1,700,000	\$0.20	June 12, 2024
1,200,000	\$0.20	July 31, 2024
<u>1,350,000</u>	\$0.05	January 29, 2025
<u>11,150,000</u>		

* Exercise price was amended from \$0.30 to \$0.20 on June 13, 2019

** Exercise price was amended from \$0.43 to \$0.20 on June 13, 2019

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018	7,405,000	\$ 0.20
Cancelled	(2,005,000)	0.17
Granted	<u>4,400,000</u>	0.18
Balance, December 31, 2019	9,800,000	0.18
Cancelled	(1,350,000)	0.05
Granted	<u>2,700,000</u>	0.05
Balance, March 31, 2020	<u>11,150,000</u>	\$ 0.15
Balance, exercisable, March 31, 2020	<u>11,150,000</u>	\$ 0.15

d) Share-based payments

During January 2020, the Company granted stock options enabling the holders to acquire up to 2,700,000 common shares of the Company with a grant date fair value of \$0.04 per share. These stock options have an exercise price of \$0.05 per share, resulting in stock-based payments expense of \$89,183 using the Black-Scholes option pricing model.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

6. SHARE CAPITAL AND RESERVES (cont'd)

d) Share-based payments (cont'd)

The Company applies the fair value method using the Black-Scholes option pricing model to account for stock options granted to directors, officers and consultants. The following assumptions were used to calculate the weighted average fair value of the stock options granted during the period:

	2020	2019
Risk-free interest rate	1.34%	-
Expected life of options	5 years	-
Annualized volatility	125.3%	-
Dividend rate	0%	-
Forfeiture rate	0%	-

e) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2018	20,902,250	\$ 0.42
Expired	(11,539,750)	0.49
Exercised	(2,400,000)	-
Issued	12,081,788	0.20
Issued	16,122,983	0.20
Issued	<u>2,390,500</u>	0.20
Balance, December 31, 2019 and March 31, 2020	<u>37,557,771</u>	\$ 0.23

Details of warrants outstanding and exercisable as at March 31, 2020 are as follows:

Number of Shares	Exercise Price	Expiry Date
262,500	\$0.40	April 27, 2020 *
4,150,000	\$0.40	April 27, 2020 *
2,550,000	\$0.30	July 22, 2020
12,081,788	\$0.20	April 7, 2022
16,122,983	\$0.20	July 21, 2022
<u>2,390,500</u>	\$0.20	July 30, 2022
<u>37,557,771</u>		

* 4,412,500 share purchase warrants expired unexercised subsequent to March 31, 2020.

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

7. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2020, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$45,000 (2019 - \$45,000) to the CEO of the Company.
- b) Paid or accrued professional fees of \$19,500 (2019 - \$19,500) to a company controlled by the Corporate Secretary of the Company.
- c) Paid or accrued geological consulting fees of \$9,000 (2019 - \$Nil) to a company controlled by a director of the Company and \$Nil (2019 - \$53,595) to a company controlled by the Company's former vice-president of exploration.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	March 31, 2020	March 31, 2019
Short-term benefits	\$ 73,500	\$ 118,095

As at March 31, 2020, accounts payable and accrued liabilities included \$9,000 (December 31, 2019 - \$9,000) due to related parties.

8. FINANCIAL INSTRUMENTS AND RISK FACTORS***Fair value***

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash, receivables, marketable securities and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash and marketable securities are measured based on Level 1 inputs of the fair value hierarchy.

STRIKEPOINT GOLD INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

8. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd)

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2020 and December 31, 2019:

	As at March 31, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 328,759	\$ -	\$ -
Marketable securities	330,000	-	-

	As at December 31, 2019		
	Level 1	Level 2	Level 3
Cash	\$ 432,110	\$ -	\$ -

Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has cash balances but no interest-bearing debt. The bank account is held with a major Canadian bank. As all of the Company's cash and equivalents are held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk have been assessed as high.

STRIKEPOINT GOLD INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited)

MARCH 31, 2020

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation interests, acquire additional exploration and evaluation interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

10. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of mineral properties in Canada.

11. SUBSEQUENT EVENT

Subsequent to March 31, 2020, the Company granted 1,400,000 stock options, with an exercise price of \$0.05 per share, for a period of five year.