enCore Energy Corp.

TSX.V:EU

enCore Energy Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

ENCORE ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	Notes		March 31, 2020		December 31, 2019
ASSETS					
Current					
Cash		$	4,209,479	$	2,787,118
Receivables and prepaid expenses			34,050		38,003
			4,243,529		2,825,121
Intangible assets	4		327,857		334,286
Mineral properties	5		5,552,598		5,016,675
Reclamation deposit	5		121,299		111,047
Total assets		$	10,245,283	$	8,287,129
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities		$	88,822	$	68,212
Due to related parties	7		363,869		311,712
Total liabilities			452,691		379,924
Shareholders' Equity					
Share capital	6		28,333,708		26,792,041
Share subscriptions received	6		-		19,165
Contributed surplus	6		1,591,628		1,587,071
Accumulated other comprehensive income			1,087,643		640,978
Deficit			(21,220,387)		(21,132,050)
Total shareholders' equity			9,792,592		7,907,205
Total liabilities and shareholders' equity		$	10,245,283	$	8,287,129

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved by the Board of Directors:

"*William M. Sheriff*"	*"William B. Harris"*
Director	Director

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

ENCORE ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31,
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes	2020	2019
Expenses			
Amortization		$ 6,429	$ -
Consulting		32,927	29,930
Office and administration	7	32,364	46,163
Professional fees		6,327	8,475
Promotion and shareholder communications		1,781	1,347
Travel		9,322	-
Transfer agent and filing fees		10,283	-
Staff costs	7	55,201	20,654
Stock option expense	6,7	4,557	12,277
		(159,191)	(118,846)
Interest income		14,814	3,210
Foreign exchange gain (loss)		56,040	(1,145)
Loss for the period		(88,337)	(116,781)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations		446,665	(79,454)
Other comprehensive income (loss) for the period		446,665	(79,454)
Comprehensive income (loss) for the period		$ 358,328	$ (196,235)
Basic and diluted loss per share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		152,992,258	119,427,020

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

ENCORE ENERGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2020 and 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(88,337)	$	(116,781)
Items not affecting cash:				
Amortization		6,429		-
Stock option expense		4,557		12,277
Changes in non-cash working capital items:				
Receivables and prepaids		3,953		6,100
Accounts payable and accrued liabilities		20,610		3,736
Due to related parties		21,901		8,723
Net cash used in operating activities		(30,887)		(85,945)
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral properties expenditures		(72,517)		(2,558)
Net cash used in investing activities		(72,517)		(2,558)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of warrants		1,522,502		173,500
Exercise of stock options		-		23,750
Net cash provided by financing activities		1,522,502		197,250
Effect of exchange rate changes on cash		3,263		6,391
Change in cash		1,422,361		115,138
Cash, beginning		2,787,118		925,626
Cash, end	$	4,209,479	$	1,040,764

Supplemental cash flow information – Note 11

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

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended March 31, 2020 and 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Shares Subscribed	Contributed Surplus	Cumulative translation adjustment	Deficit	Total
Balance as at December 31, 2018	**118,326,084**	**$ 23,903,536**	**$ -**	**$ 1,051,080**	**$ 853,691**	**$ (19,759,372)**	**$ 6,048,935**
Shares issued for exercise of warrants and finders' warrants	2,341,667	341,172	-	(167,672)	-	-	173,500
Shares issued for stock options	442,500	37,170	-	(13,420)	-	-	23,750
Stock option expense	-	-	-	12,277	-	-	12,277
Loss and comprehensive loss for the period	-	-	-	-	(79,454)	(116,781)	(196,235)
Balance as at March 31, 2019	**121,110,251**	**$ 24,281,878**	**$ -**	**$ 882,265**	**$ 774,237**	**$ (19,876,153)**	**$ 6,062,227**
Balance as at December 31, 2019	**143,804,463**	**$ 26,792,041**	**$ 19,165**	**$ 1,587,071**	**$ 640,978**	**$ (21,132,050)**	**$ 7,907,205**
Shares issued for exercise of warrants	15,416,667	1,541,667	(19,165)	-	-	-	1,522,502
Stock option expense	-	-	-	4,557	-	-	4,557
Loss and comprehensive income for the period	-	-	-	-	446,665	(88,337)	358,328
Balance as at March 31, 2020	**159,221,130**	**$ 28,333,708**	**$ -**	**$ 1,591,628**	**$ 1,087,643**	**$ (21,220,387)**	**$ 9,792,592**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

enCore Energy Corp. was incorporated on October 30, 2009 under the Laws of British Columbia, Canada. enCore Energy Corp., together with its subsidiaries (collectively referred to as the "Company" or "enCore"), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company's common shares trade on the TSX Venture Exchange under the symbol "EU" and on the OTCQB Venture Market under the symbol "ENCUF".

The Company's head office is located at #250 – 200 Burrard Street, Vancouver, BC.

The condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital. For the three months ended March 31, 2020, the Company reported a net loss of $88,337 (2019 - $116,781), had working capital of $3,790,838 (December 31, 2019 - $2,445,197) and an accumulated deficit of $21,220,387 (December 31,2019 - $21,132,050). These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

Management estimates that it has adequate working capital to fund all of its planned activities for the next year. However, the Company's long-term continued operations are dependent on its abilities to monetize assets or raise additional funding from loans or equity financings, or through other arrangements. There is no assurance that future financing activities will be successful.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of March 31, 2020.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended December 31, 2019.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements were approved for issuance by the audit committee of the board of directors on May 28, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All significant intercompany transactions and balances have been eliminated.

The condensed consolidated interim financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral	USD
Metamin Enterprises US Inc.	Utah, USA	100%	Mineral	USD

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates.

Critical accounting estimates:

The assessment of the recoverable amount of mineral properties as a result of impairment indicators - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of loss and comprehensive loss and the resulting carrying values of assets.

Share-based payments - The fair value of stock options issued is subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

(Expressed in Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

Amortization and impairment of intangible assets - Amortization of intangible assets is dependent upon the estimated useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Critical accounting judgments:

The assessment of indicators of impairment for mineral properties – The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company's future plans to explore and evaluate a mineral property.

Business combinations - The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Metamin was determined to constitute an acquisition of assets.

Determination of functional currency - In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries is the U.S. dollar.

4. INTANGIBLE ASSETS

During the year ended December 31, 2018, the Company entered into an agreement with VANE Minerals (US) LLC ("VANE") which grants the Company exclusive access to certain VANE uranium exploration data and information as well as a first right of refusal covering seven of Vane's current uranium projects in Arizona and Utah. In exchange for this exclusive access and rights, the Company issued 3,000,000 common shares at a fair value of $360,000 and has granted VANE certain back-in rights for any projects developed from the use of the data. The primary term of the agreement is five years and may be renewed by the Company by written notice for three successive renewal periods of three years each. Thus, the Company's access to these data may extend for 14 years. The intangible assets have been determined to have a definite life of 14 years.

The following table summarizes the continuity of the Company's intangible assets:

Balance, December 31, 2018	$	360,000
Accumulated Amortization:		(25,714)
Balance, December 31, 2019		334,286
Accumulated Amortization:		(6,429)
Balance, March 31, 2020	$	327,857

(Expressed in Canadian dollars)

5. MINERAL PROPERTIES

	McKinley, Crownpoint & Hosta Butte, New Mexico	Marquez & Nose Rock, Treeline, New Mexico	Moonshine Springs, Arizona	Metamin Properties	Other Properties, Utah & Wyoming	Total
Balance, December 31, 2018	**$ 3,021,730**	**$ 860,070**	**$ 236,649**	**$ 485,976**	**$ 328,545**	**$ 4,932,970**
Exploration costs:						
Maintenance and lease fees	-	42,454	8,731	157,918	52,354	261,457
Personnel	-	-	-	28,409	-	28,409
Environmental and reclamation	-	-	-	18,050	-	18,050
Currency translation adjustment	(144,862)	(42,130)	(11,530)	(8,830)	(16,859)	(224,211)
Balance, December 31, 2019	**2,876,868**	**860,394**	**233,850**	**681,523**	**364,040**	**5,016,675**
Exploration costs:						
Maintenance and lease fees	-	67,245	-	-	2,582	69,827
Personnel	-	-	-	2,690	-	2,690
Currency translation adjustment	265,581	79,427	21,588	63,062	33,748	463,406
Balance, March 31, 2020	**$ 3,142,449**	**$ 1,007,066**	**$ 255,438**	**$ 747,275**	**$ 400,370**	**$ 5,552,598**

Marquez, New Mexico

The Marquez project consists of private mineral leases located in McKinley and Sandoval counties of New Mexico.

Nose Rock, New Mexico

The Nose Rock Project is located in McKinley County, New Mexico, on the northern edge of the Grants Uranium District. The Nose Rock property consists of 42 owned unpatented lode mining claims.

Moonshine Springs, Arizona

The Moonshine Springs project is located in Mohave County, Arizona. The project comprises 23 owned unpatented lode mining claims along with 7 unpatented lode mining claims under lease.

Other Properties

The White Canyon District, Utah property package includes the Geitus, Blue Jay, Marcy Look, and Cedar Mountain projects, which are located 40-65 miles to the northwest of the White Mesa Mill at Blanding County, Utah.

Crownpoint and Hosta Butte Properties

The Company owns a 100% interest in the approximately 113,000 acre McKinley properties and a 60% - 100% interest in the adjacent Crownpoint and Hosta Butte properties, all of which are located in McKinley County, New Mexico. The Company holds a 60% interest in a portion of a certain section at Crownpoint. The Company owns a 100% interest in the rest of the Crownpoint and Hosta Butte project. area, subject to a 3% gross profit royalty on uranium produced.

5. MINERAL PROPERTIES (cont'd)

Metamin

During the year ended December 31, 2018, the Company entered into an agreement with Metamin Enterprises Inc. ("Metamin"), a private British Columbia company, to acquire Metamin's wholly owned subsidiary,"MEUS", which includes 13,605 acres of prospective uranium mining properties located in the States of Arizona, Utah and Wyoming, USA. Pursuant to the agreement, the Company paid Metamin $55,000 in cash and $114,938 in property holding costs, replaced a $110,185 ($85,500 USD) cash bond and issued 3,000,000 common shares at a fair value of $150,000 as consideration for the acquisition. As at March 31, 2020, the Company holds a reclamation bond of $121,299 ($85,500 USD) (December 31, 2019 - $111,047 ($85,500 USD)) related to the property.

6. SHARE CAPITAL

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

During the period ended March 31, 2020, the Company issued 15,416,667 shares for warrants exercised, for gross proceeds of $1,541,667.

In May 2019, the Company completed a private placement and issued 17,865,878 units at a price of $0.15 per unit, for gross proceeds of $2,679,882. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at a price of $0.225 for a period of three years. The warrants may be accelerated under certain terms if the stock closes for 15 trading days at $0.45 or more. The Company paid commissions totaling $147,471, other cash costs of $20,113 and issued 938,272 finders' warrants valued at $103,210. The finder's warrants are exercisable into one common share of the Company at a price of $0.15 for three years from closing.

During the year ended December 31, 2019, the Company issued:

i) 3,775,001 common shares on the exercise of warrants for proceeds of $316,833;
ii) 3,837,500 common shares on the exercise of stock options for proceeds of $193,750; and

During the year ended December 31, 2019, 191,650 shares were subscribed for warrants exercised for total proceeds of $19,165. The shares were issued subsequently.

Stock options

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan cannot exceed 10% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the Board of Directors.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (cont'd)

The Company's stock options outstanding as at March 31, 2020 and the changes for the period then ended, are as follows:

	Outstanding Options	Weighted Average Exercise Price
Balance, December 31, 2018	5,510,000	$ 0.06
Granted	4,765,000	0.15
Exercised	(3,837,500)	0.05
Forfeited/expired	(97,500)	0.06
Balance, December 31, 2019	6,340,000	$ 0.13
Granted	50,000	0.12
Balance, March 31, 2020	6,390,000	$ 0.13
Exercisable, March 31, 2020	2,796,250	$ 0.11

As at March 31, 2020, incentive stock options outstanding were as follows:

Expiry Date	Outstanding Options	Exercise Price ($)
January 6, 2021	400,000	0.05
May 11, 2022	450,000	0.10
May 15, 2023	725,000	0.06
January 8, 2024	420,000	0.125
March 27, 2024	200,000	0.135
June 3, 2024	4,145,000	0.15
March 25, 2025	50,000	0.115
	6,390,000	**0.13**

During the period ended March 31, 2020, the Company granted an aggregate of 50,000 (2019 – 620,000) stock options to directors, officers and consultants of the Company with a weighted average exercise price of $0.12 (2019 - $0.13). The options vest 25% every six months commencing six months after the grant date.

During the period ended March 31, 2020, the Company recognized stock option expense of $4,557 (2019 - $12,277) for the vested portion of the stock options.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	Three months ended March 31,	
	2020	**2019**
Risk-free interest rate	0.78%	1.74%
Expected life of option	5 years	5 years
Expected dividend yield	0%	0%
Expected stock price volatility	168.93%	186.38%
Fair value per option	$0.09	$0.13

(Expressed in Canadian dollars)

6. SHARE CAPITAL (cont'd)

Share purchase warrants

The Company's share purchase warrants outstanding as at March 31, 2020 and the changes for the years then ended, are as follows:

	Outstanding Warrants	Weighted Average Exercise Price
Balance, December 31, 2018	20,683,335	$ 0.10
Granted	10,629,545	0.21
Exercised	(3,775,001)	0.08
Balance, December 31, 2019	27,537,879	0.14
Exercised	(15,416,667)	0.10
Expired	(2,250,000)	0.10
Balance, March 31, 2020	9,871,212	$ 0.22

As at March 31, 2020, share purchase warrants outstanding were as follows:

Expiry Date	Outstanding Warrants	Exercise Price ($)
May 10, 2022	8,932,940	0.23
May 10, 2022	938,272	0.15
	9,871,212	**0.22**

7. RELATED PARTY TRANSACTIONS

Related parties include the Directors and Officers of the Company (key management) and any entities controlled by these individuals. Related parties also include other entities providing key management services to the Company.

The amounts paid or payable to key management or entities providing similar services during the periods ended March 31, 2020 and 2019 is as follows:

	2020	2019
Staff costs	$ 19,801	$ 19,978
Office and administration	2,000	9,000
Stock option expense	1,509	9,438
Total key management compensation	$ 23,310	$ 38,416

As at March 31, 2020, $361,869 was owing to a company controlled by the Chief Executive Officer and $2,000 was owing to an accounting firm in which the Chief Financial Officer is a partner for key management services rendered (December 31, 2019 - $311,712).

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to support the exploration and evaluation of its mineral properties and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. 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 its capital structure, the Company may issue new shares, issue debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

There were no changes in the Company's approach to capital management during the period ended March 31, 2020, and the Company is not subject to any externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

Financial instruments include cash and receivables and any contract that gives rise to a financial asset to one party and a financial liability or equity instrument to another party. Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1- Unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs based on prices or valuation techniques that are not based on observable market data.

Cash is measured at Level 1 of the fair value hierarchy. The Company classifies its receivables as financial assets measured at amortized cost. Accounts payable and accrued liabilities and due to related parties are classified as financial liabilities measured at amortized cost. The carrying amounts of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair values due to the short-term nature of the financial instruments.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure but has no hedge positions. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and due to related parties that are denominated in US dollars. At March 31, 2020, a 10% change in the value to the US dollar as compared to the Canadian dollar would affect net loss and shareholders' equity by approximately $27,484.

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank.

9. FINANCIAL INSTRUMENTS (cont'd)

Market Risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash, which receives interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing.

10. SEGMENTED INFORMATION

The Company operates in a single segment: the acquisition and exploration of mineral properties in the United States.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the period ended March 31, 2020.

Significant non-cash transactions for the period ended March 31, 2020 include the following:

a) Transferred $167,672 from contributed surplus to share capital when 1,516,667 brokers' warrants were exercised;
b) Transferred $13,420 from contributed surplus to share capital when 442,500 stock options were exercised.

12. COMMITMENTS

The Company has entered into a lease agreement for its premises in Utah, USA. The annual lease commitments are USD$3,000. The Company has adopted IFRS 16 Leases ("IFRS 16") which is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 16 did not have a material impact on the Company's condensed interim consolidated financial statements.

13. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2019, the Company granted 3,200,000 stock options to directors, officers and consultants of the company. The options were granted for a period of five years and will allow the holder to purchase a common share of the Company at an exercise price of $0.205.