
Condensed interim financial
statements of
Maple Gold Mines Ltd.
(An Exploration Stage Company)
(unaudited)

March 31, 2020

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Notice of no auditor review of condensed 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 the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Maple Gold Mines Ltd.**Condensed interim statement of financial position**

As at March 31, 2020

(Unaudited)

(Expressed in Canadian dollars)

		March 31, 2020	December 31, 2019
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	3,554,361	4,102,551
Sales taxes receivable		128,169	139,156
Sublease receivables	8(a)	125,498	163,351
Mineral exploration tax credit receivable		43,153	399,966
Prepaid expenses and deposits		407,731	475,729
		4,258,912	5,280,753
Property and equipment	4	462,428	555,092
		4,721,340	5,835,845
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		899,182	635,679
Flow-through share premium liability	6	614,850	800,428
Payable to Revenu Quebec	7	446,689	445,012
Lease liabilities – current portion	8(b)	328,586	404,957
		2,289,307	2,286,076
Non-current liabilities			
Lease liabilities	8(b)	144,970	179,602
Provision for site reclamation and closure		50,384	50,384
		2,484,661	2,516,062
Equity			
Share capital	9	49,167,035	49,167,035
Reserves	9	11,438,155	11,398,483
Deficit		(58,368,511)	(57,245,735)
		2,236,679	3,319,783
		4,721,340	5,835,845

The accompanying notes are an integral part of the unaudited condensed interim financial statement

Approved by the Board

/s/ B. Matthew Hornor

B. Matthew Hornor, Director

/s/ Sean Charland

Sean Charland, Director

Maple Gold Mines Ltd.**Condensed interim statement of loss and comprehensive Loss**

Three months ended March 31, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

		2020	2019
	Notes	\$	\$
Operating expenses (income)			
Exploration and evaluation expenses	5	917,135	662,299
General and administrative	10	383,359	710,535
Finance income		(21,833)	(74,272)
Finance expense		29,693	108,994
Amortization of flow-through share premium	6	(185,578)	(100,980)
Loss and comprehensive loss for the period		1,122,776	1,306,576
Basic and diluted loss per share			
		0.00	0.01
Weighted average number of common shares outstanding (basic and diluted)			
		239,186,954	210,837,610

The accompanying notes are an integral part of the unaudited condensed interim financial statements.

Maple Gold Mines Ltd.

Condensed interim statement of changes in equity

Three months ended March 31, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars, except share amounts)

Equity attributable to shareholders

	Notes	Share capital		Reserves		Total reserves	Deficit	Total
		Number	Amount	Share-based payments reserve	Warrants reserve			
			\$	\$	\$	\$	\$	\$
Balance, December 31, 2019		239,186,954	49,167,035	3,279,224	8,119,259	11,398,483	(57,245,735)	3,319,783
Share-based payments	9(c)	—	—	39,672	—	39,672	—	39,672
Comprehensive loss		—	—	—	—	—	(1,122,776)	(1,122,776)
Balance, March 31, 2020		239,186,954	49,167,035	3,318,896	8,119,259	11,438,155	(58,368,511)	2,236,679
Balance, January 1, 2019		208,468,772	46,315,337	2,903,618	8,119,259	11,022,877	(53,577,113)	3,761,101
Shares issued pursuant to a private placement, net of share issue costs and flow-through share premium liability	9(b)(i)	18,400,000	1,820,099	—	—	—	—	1,820,099
Share-based payments	9(c)	—	—	288,117	—	288,117	—	288,117
Comprehensive loss		—	—	—	—	—	(1,306,576)	(1,306,576)
Balance, March 31, 2019		226,868,772	48,135,436	3,191,735	8,119,259	11,310,994	(54,883,689)	4,562,741

The accompanying notes are an integral part of the unaudited condensed interim financial statements.

Maple Gold Mines Ltd.**Condensed interim statement of cash flows**

Three months ended March 31, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	2020	2019
	\$	\$
Operating activities		
Loss for the period	(1,122,776)	(1,306,576)
Adjustments for		
Amortization of flow-through share premium	(185,578)	(100,980)
Depreciation	92,664	107,260
Share-based payments	39,672	288,117
Finance income	(7,542)	(49,592)
Finance expense	27,162	93,372
Changes in non-cash working capital items		
Sales taxes receivable	10,987	(37,818)
Mineral exploration tax credit receivable	356,813	1,919,456
Prepaid expenses and deposits	67,998	(17,810)
Accounts payable and accrued liabilities	263,503	138,973
Payable to Revenu Quebec	1,677	12,877
	(455,420)	1,047,279
Investing activity		
Acquisition of property and equipment	—	—
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	—	2,280,099
Repayment of lease liabilities	(138,165)	(252,249)
Receipt of sublease receivables	45,395	112,410
	(92,770)	2,140,260
Net change in cash and cash equivalents	(548,190)	3,187,539
Cash and cash equivalents, beginning of period	4,102,551	2,786,340
Cash and cash equivalents, end of period	3,554,361	5,973,879

The accompanying notes are an integral part of the unaudited condensed interim financial statements.

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

1. Corporate information

Maple Gold Mines Ltd. (the "Company" or "Maple Gold") is a company domiciled in Canada. Maple Gold was incorporated on June 3, 2010 under the Ontario Business Corporations Act and was continued under the Canada Corporations Act by articles of continuance dated June 22, 2011. The address of the Company's registered office is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6. The Company is primarily involved in the exploration of mineral resources.

The Company's financial statements have been prepared on a going concern basis, which presumes the realization of assets and satisfaction of liabilities in the normal course of business.

At March 31, 2020, the Company has working capital of \$1,969,605 (December 31, 2019 - \$2,994,677) and an accumulated deficit of \$58,368,511 (December 31, 2019 - \$57,245,735). During the three month period ended March 31, 2020, the Company incurred a loss of \$1,122,776 (2018 - \$1,306,576) and expects to continue to incur operating losses in relation to exploration activities.

At March 31, 2020, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's condensed interim financial statements do not reflect adjustments to the carrying values and classification of condensed interim assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company's most recent audited financial statements for the year ended December 31, 2019.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 27, 2020.

(b) Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis. The presentation currency is the Canadian dollar; therefore all amounts are presented in Canadian dollars unless otherwise noted.

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in Note 2(c) of the audited annual financial statements for the year ended December 31, 2019 and have been consistently applied in the preparation of these condensed interim financial statements. No new judgements and estimates were applied for the periods ended March 31, 2020 and 2019.

3. Cash and cash equivalents

	March 31, 2020	December 31, 2019
	\$	\$
Components of cash and cash equivalents		
Cash	1,738,023	2,294,731
Cash equivalents	1,816,338	1,807,820
	3,554,361	4,102,551

As at March 31, 2020, the Company had the obligation to pay approximately \$2,093,864 (approximately \$2,894,514 as at December 31, 2019) in exploration expenditures related to flow-through share issuances by December 31, 2020.

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

4. Property and equipment

	Right of use assets	Camp equipment	Computer equipment	Office furniture	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance, January 1, 2019	983,591	71,175	126,315	17,214	107,786	1,306,081
Additions	—	31,246	—	—	—	31,246
Disposals	(255,947)	(16,546)	—	(5,330)	(7,746)	(285,569)
Balance, December 31, 2019 and March 31, 2020	727,644	85,875	126,315	11,884	100,040	1,051,758
Accumulated depreciation						
Balance, January 1, 2019	—	17,794	71,418	7,530	32,423	129,165
Depreciation	323,991	14,529	39,048	3,961	33,347	414,876
Disposals	(44,025)	—	—	(2,576)	(774)	(47,375)
Balance, December 31, 2019	279,966	32,323	110,466	8,915	64,996	496,666
Depreciation	70,751	2,824	9,762	990	8,337	92,664
Balance, March 31, 2020	350,717	35,147	120,228	9,905	73,333	589,330
Net book value						
December 31, 2019	447,678	53,552	15,849	2,969	35,044	555,092
March 31, 2020	376,927	50,728	6,087	1,979	26,707	462,428

5. Douay Gold Project

The accumulated exploration and evaluation expenses, which have been incurred, are as follows:

	Three months ended March 31,	
	2020	2019
	\$	\$
Camp set up, camp costs and field supplies	114,683	64,947
Depreciation	61,894	59,782
Drilling and core assaying	429,793	158,248
Equipment rental and fuel	3,818	7,346
Environmental	1,591	—
Geology	—	35,822
Geophysics	71,788	73,905
Licences and permits	21,621	5,851
Other exploration support costs	9,879	23,212
Salaries and benefits	198,439	191,228
Share-based payments	3,629	41,958
	917,135	662,299
Opening accumulated expenses	45,639,993	43,484,613
Closing accumulated expenses	46,557,128	44,146,912

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

6. Flow-through share premium liability

	Three months ended	
	March 31,	
	2020	2019
	\$	\$
Balance, beginning of period	800,428	254,750
Flow-through share premium liability at issuance (i) (ii)	—	460,000
Amortization of flow-through share premium	(185,578)	(100,980)
Balance, end of period	614,850	613,770

- (i) On December 23, 2019, the Company completed a non-brokered private placement for gross proceeds of \$1,218,000 through the issuance of 8,700,000 flow-through shares at a price of \$0.14 per flow-through share (note 9(b)(iii)). The flow-through shares were issued at a premium of \$0.055 per flow-through share, with the total flow-through share premium liability related to the 8,700,000 flow-through shares issued being \$478,500, representing the Company's obligation to spend the \$1,218,000 on eligible expenditures, which the Company expects to complete during the year ending December 31, 2020. As of March 31, 2020, \$nil eligible expenditures has been incurred and the liability remains unamortized.
- (ii) On March 26, 2019, the Company completed a non-brokered private placement for gross proceeds of \$2,300,000 through the issuance of 18,400,000 flow-through shares at a price of \$0.125 per flow-through share (note 9(b)(i)). The flow-through shares were issued at a premium of \$0.025 per flow-through share, with the total flow-through share premium liability related to the 18,400,000 flow-through shares issued being \$460,000, representing the Company's obligation to spend the \$2,300,000 on eligible expenditures, which the Company expects to complete during the year ending December 31, 2020. As of March 31, 2020, approximately \$1,618,252 of eligible expenditures has been incurred, of which \$1,424,136 has been paid, and the liability has been amortized accordingly.
- (iii) On June 1, 2018, the Company completed a non-brokered private placement for gross proceeds of approximately \$2,499,990 through the issuance of 8,333,300 flow-through shares at a price of \$0.30 per flow-through share. The flow-through shares were issued at a premium of \$0.07 per flow-through share, with the total flow-through share premium liability related to the 8,333,300 flow-through shares issued being \$583,331, representing the Company's obligation to spend the \$2,499,990 on eligible expenditures. The liability has been fully amortized as of December 31, 2019.

7. Payable to Revenue Quebec

Revenu Quebec has conducted audits of the Company's mineral exploration tax credit filings for the 2011 to 2018 tax years. Revenu Quebec has disallowed certain amounts that the Company believes are claimable qualifying expenditures. The Company intends to defend its filing positions and the Company has filed notice of objections with Revenu Quebec's Appeals Division for each of the years 2011 to 2014.

Maple Gold Mines Ltd.**Notes to the condensed interim financial statements**

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

8. Leases*(a) Sublease receivables*

	Three months ended March 31,	
	2020	2019
	\$	\$
Balance, beginning of period	163,351	1,027,983
Lease payments received	(45,395)	(112,410)
Interest income on sublease receivables	7,542	49,592
	125,498	965,165
Less: current portion	(125,498)	(287,189)
Balance, end of period	—	677,976

(b) Lease liabilities

	Three months ended March 31,	
	2020	2019
	\$	\$
Balance, beginning of period	584,559	2,011,574
Lease payments made	(138,165)	(252,249)
Interest expense on lease liabilities	27,162	93,372
	473,556	1,852,697
Less: current portion	(328,586)	(599,598)
Balance, end of period	144,970	1,253,099

9. Share capital and reserves*(a) Authorized*

Unlimited common shares without par value

(b) Share issuances

- (i) On March 26, 2019, the Company closed a non-brokered private placement of 18,400,000 flow through common shares at a price of \$0.125 per share for gross proceeds of \$2,300,000. In connection with the flow-through share placement, the Company incurred a total of \$19,901 in cash share issuance costs.

Maple Gold Mines Ltd.**Notes to the condensed interim financial statements**

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)*(b) Share issuances (continued)*

(i) (continued)

A reconciliation of the impact of the non-brokered private placement on the common shares is as follows:

	Number of common shares	Amount \$
Private placement – flow-through shares	18,400,000	2,300,000
Share issuance costs	—	(19,901)
	<u>18,400,000</u>	<u>2,280,099</u>
Flow-through share premium liability (Note 6)	—	(460,000)
	<u>18,400,000</u>	<u>1,820,099</u>

- (ii) On April 8, 2019, the Company issued 568,182 common shares at a price of \$0.11 per common share in settlement of certain outstanding obligations.
- (iii) On December 23, 2019, the Company closed a non-brokered private placement of 8,700,000 flow through common shares at a price of \$0.14 per flow through common share and 3,050,000 common shares at a price of \$0.08 per common share for gross proceeds of \$1,462,000. In connection with the common share placement, the Company incurred a total of \$10,838 in cash share issuance costs.

A reconciliation of the impact of the non brokered private placement on the common shares is as follows:

	Number of common shares #	Amount \$
Private placement – flow-through shares	8,700,000	1,218,000
Private placement – common shares	3,050,000	244,000
Share issuance costs	—	(10,838)
	<u>11,750,000</u>	<u>1,451,162</u>
Flow-through share premium liability (Note 6)	—	(478,500)
	<u>11,750,000</u>	<u>972,662</u>

(c) Stock options

The Company maintains a Rolling Stock Option Plan providing for the issuance of stock options up to 10% of the Company's issued and outstanding common shares at the time of the grant. The Company may grant stock options from time to time to its directors, officers, employees and other service providers. The stock options granted have vesting periods that range from two to three years.

Maple Gold Mines Ltd.**Notes to the condensed interim financial statements**

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)*(c) Stock options (continued)*

The continuity of the number of stock options issued and outstanding is as follows:

	Number of stock options	Weighted average exercise price
		\$
Outstanding, December 31, 2018	10,245,000	0.27
Granted	7,330,000	0.16
Cancelled/Forfeited	(5,895,000)	0.22
Outstanding, December 31, 2019 and March 31, 2020	11,680,000	0.23

As at March 31, 2020, the number of stock options outstanding and exercisable was:

Expiry date	of options #	Exercise price \$	contractual life (years)	of options #	Exercise price \$	contractual life (years)
November 18, 2020	200,000	0.10	0.64	200,000	0.10	0.64
July 11, 2021	300,000	0.24	1.28	300,000	0.24	1.28
November 28, 2021	780,000	0.25	1.66	780,000	0.25	1.66
March 2, 2022	200,000	0.40	1.92	200,000	0.40	1.92
May 3, 2022	3,300,000	0.30	2.09	2,475,000	0.30	2.09
August 28, 2022	600,000	0.30	2.41	450,000	0.30	2.41
October 10, 2022	425,000	0.30	2.53	318,750	0.30	2.53
January 25, 2023	300,000	0.30	2.82	225,000	0.30	2.82
January 23, 2024	5,575,000	0.16	3.82	3,716,668	0.16	3.82
	11,680,000	0.23	2.89	8,665,418	0.23	2.78

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and others providing similar services.

During the three-month period ended March 31, 2020 the Company recorded stock based compensation expense of \$39,672 (2019 - \$288,117).

The fair values of the share options granted during the three months ended March 31, 2020 and 2019 were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

	Three months ended March 31	
	2020	2019
	Option grants	Option grants
Risk-free interest rate	N/A	1.92%
Expected dividend yield	N/A	nil
Stock price volatility	N/A	78%
Expected life in years	N/A	5
Weighted average grant date fair value	N/A	\$0.06

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(c) Stock options (continued)

The expected volatility assumption is based on the historical and implied volatility of the Company's common shares. The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the stock options.

(d) Share purchase warrants

The continuity of the number of share purchase warrants is as follows:

	Warrants outstanding	Exercise price \$
Outstanding, December 31, 2018	75,321,870	0.32
Expired	(44,287,720)	0.27
Outstanding, December 31, 2019 and March 31, 2020	31,034,150	0.40

As at March 31, 2020, all of the outstanding warrants expire on June 27, 2022.

10. General and administrative

	Three months ended March 31,	
	2020	2019
	\$	\$
Business development	10,384	47,399
Depreciation	30,770	47,478
Directors' fees	11,000	9,000
Office and general	26,569	35,365
Professional fees	52,494	91,682
Regulatory transfer agent and shareholder information	16,100	12,076
Salaries and benefits	96,085	154,696
Share-based payments	36,043	246,159
Travel, marketing and investor relations	103,914	66,680
	383,359	710,535

Maple Gold Mines Ltd.

Notes to the condensed interim financial statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars, unless otherwise stated)

11. Related party balances and transactions

Compensation of key management personnel

During the period, compensation to key management personnel was as follows:

	Three months ended March 31,	
	2020	2019
	\$	\$
Salaries and benefits	71,500	130,500
Share-based payments	28,917	189,468
	100,417	319,968

12. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

13. Subsequent event

On April 28, 2020, the Company granted 9,975,000 incentive stock options to certain directors, employees and consultants at an exercise price of \$0.10 and a 5-year term.