FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **American Pacific Mining Corp.** (the "Issuer").

Trading Symbol: **USGD**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

See Note 10 to interim financial statements for six months ended June 30, 2020.

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
May 20/20	Stock Options	Stock option grant	350,000	$0.325	-	-	arm's length	N/A
May 22/20	Common Shares	Private Placement	23,918,035	$0.125	$2,989,754.44	Cash	arm's length and Related Persons(1)(2)	$57,925
June 25/20	Common Shares	Property acquisition	20,000,000	$0.37	-	-	arm's length	N/A

(1) Warwick Smith, CEO and a director of the Issuer and Eric Saderholm, President and a director of the Issuer.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
May 20/20	350,000	N/A	Consultant	$0.325	May 20/25	$0.325
Total:	**350,000**					

3. Summary of securities as at the end of the reporting period. See Schedule A

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common shares	Unlimited	NPV

(b) number and recorded value for shares issued and outstanding,

Description	Number Issued & Outstanding	Amount
Common shares	65,372,836	$17,937,638

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
Stock options	350,000	$0.325	May 14/25
Total Options:	**350,000**		
Warrants	77,999	$0.60	July 29/20
Warrants	1,554,158	$0.60	Sept. 27/20
Warrants	2,433,655	$0.60	Feb. 28/21
Warrants	24,832,235	$0.20	Nov. 22/21
Warrants	5,000,000	$0.25	Dec. 25/21
Total Warrants:	**33,898,047**		
Total Options and Warrants:	**34,248,047**		

(a) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Description	Number Held in Escrow	Number Released During the Period
Common shares	175,000	87,500

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Positions Held	Since
Warwick Smith	CEO and Director	July 1, 2017
Norman Wareham	CFO, Secretary and Director	January 25, 2018
Eric Saderholm	President and Director	January 25, 2018
Ken Cunningham	Director	January 25, 2018
Joness Lang	Director	October 31, 2019

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 16, 2020.

Warwick Smith
Name of Director or Senior Officer

"Warwick Smith"
Signature

CEO and Director
Official Capacity

Issuer Details Name of Issuer American Pacific Mining Corp.	For Quarter Ended June 30, 2020	Date of Report YY/MM/D 2020/09/16
Issuer Address Suite 910-510 Burrard Street		
City/Province/Postal Code Vancouver, BC V6C 3A8	Issuer Fax No. 604.608.5372	Issuer Telephone No. 866.646.5389
Contact Name Warwick Smith	Contact Position CEO and Director	Contact Telephone No. As above
Contact Email Address W@DataSystems.ca	Web Site Address www.americanpacific.ca	

AMERICAN PACIFIC MINING CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

The accompanying unaudited condensed consolidated condensed consolidated interim financial statements of American Pacific Mining Corp. for the six months ended June 30, 2020 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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(Expressed in Canadian Dollars)

As at	Note(s)	June 30, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash and cash equivalents	4	2,442,624	513,021
Amounts receivable		30,163	29,317
Prepaid expenses	5	55,285	381,422
		2,528,072	**923,760**
Non-current assets			
Prepaid expenses	5	-	324,000
Reclamation deposits	6	27,283	26,032
Equipment	7	67,610	4,044
Exploration and evaluation assets	8	9,903,486	961,657
		9,998,379	**1,315,733**
TOTAL ASSETS		**12,526,451**	**2,239,493**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		161,347	160,439
TOTAL LIABILITIES		**161,347**	**160,439**
SHAREHOLDERS' EQUITY			
Share capital	9	17,937,638	7,871,934
Stock options reserve	9	861,081	816,631
Warrants reserve	9	1,688,081	28,580
Accumulated deficit		(8,089,370)	(6,606,469)
Accumulated other comprehensive loss		(32,326)	(31,622)
TOTAL SHAREHOLDERS' EQUITY		**12,365,104**	**2,079,054**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,526,451**	**2,239,493**

Corporate information and continuance of operations	1
Commitments	8
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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Warwick Smith Director **/s/ Norman Wareham Director**

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

		For the three months ended		For the six months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Note(s)	$	$	$	$
Expenses					
Bank charges		895	572	1,791	1,323
Consulting fees	5, 10	195,610	140,632	356,599	275,097
Depreciation	7	592	593	1,184	1,185
Directors' fees	10	8,099	7,852	16,560	7,852
Exploration and evaluation costs	8, 10	62,639	80,669	142,281	156,387
General and administrative costs		21,673	32,780	45,026	67,294
Professional fees		36,370	89,421	90,654	134,465
Project evaluation costs		757	3,344	757	7,256
Share-based payments	9, 10	44,450	156,098	44,450	156,098
Shareholder information and investor relations	5	106,174	150,195	252,190	208,727
Transfer agent, regulatory and listing fees		43,860	27,366	63,789	52,536
Travel		582	28,767	6,312	54,570
		(521,701)	**(718,289)**	**(1,021,593)**	**(1,122,790)**
Other income (expenses)					
Foreign exchange gain (loss)		1,450	(2,283)	751	(6,469)
Finance income		797	3,046	797	3,190
Income from interest in mineral property		-	65,432	-	65,432
Write-off of advance payments	5	(462,856)	-	(462,856)	-
		(460,609)	**66,195**	**(461,308)**	**62,153**
Loss for the period		**(982,310)**	**(652,094)**	**(1,482,901)**	**(1,060,637)**
Other comprehensive loss					
Foreign currency translation differences for foreign operations		(704)	(6)	(704)	(1,992)
		(704)	**(6)**	**(704)**	**(1,992)**
Total comprehensive loss		**(983,014)**	**(652,100)**	**(1,483,605)**	**(1,062,629)**
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share)		**(0.03)**	**(0.04)**	**(0.05)**	**(0.07)**
Weighted average number of common shares outstanding - basic and diluted		**33,034,258**	**17,806,778**	**26,988,360**	**15,533,268**

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

		Share capital						
	Note(s)	Number of shares	Amount	Options	Warrants	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2019		**20,915,112**	**7,871,934**	**816,631**	**28,580**	**(6,606,469)**	**(31,622)**	**2,079,054**
Shares and warrants issued for acquisition	3, 9	20,000,000	7,400,000	-	1,404,851	-	-	**8,804,851**
Shares issued for finders' fees	9	450,800	-	-	-	-	-	**-**
Shares issued for cash	9	23,918,035	2,989,754	-	-	-	-	**2,989,754**
Share issue costs	9	-	(81,400)	-	-	-	-	**(81,400)**
Fair value of finders' warrants	9	-	(254,650)	-	254,650	-	-	**-**
Shares issued for exploration and evaluation assets	8, 9	88,889	12,000	-	-	-	-	**12,000**
Share-based payments	9	-	-	44,450	-	-	-	**44,450**
Loss		-	-	-	-	(1,482,901)	-	**(1,482,901)**
Other comprehensive loss		-	-	-	-	-	(704)	**(704)**
Balance at June 30, 2020		**65,372,836**	**17,937,638**	**861,081**	**1,688,081**	**(8,089,370)**	**(32,326)**	**12,365,104**

Balance at December 31, 2018	**11,250,556**	**4,656,090**	**618,769**	**28**	**(4,093,290)**	**(33,121)**	**1,148,476**
Shares issued for cash	4,867,333	1,460,200	-	-	-	-	**1,460,200**
Share issue costs	-	(78,374)	-	-	-	-	**(78,374)**
Shares issued for exploration and evaluation assets	422,222	278,666	-	-	-	-	**278,666**
Shares issued for services	1,266,666	654,000	-	-	-	-	**654,000**
Fair value of finders' warrants	-	(22,000)	-	22,000	-	-	**-**
Share-based payments	-	-	156,098	-	-	-	**156,098**
Loss	-	-	-	-	(1,060,637)	-	**(1,060,637)**
Other comprehensive loss	-	-	-	-	-	(1,992)	**(1,992)**
Balance at June 30, 2019	**17,806,777**	**6,948,582**	**774,867**	**22,028**	**(5,153,927)**	**(35,113)**	**2,556,437**

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

		For the six months ended	
	Note(s)	June 30, 2020 $	June 30, 2019 $
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Net loss for the period		(1,482,901)	(1,060,637)
Adjustments for items not affecting cash:			
Depreciation	7	1,184	1,185
Share-based payments	9	44,450	156,098
Effects of currency exchange rate changes on reclamation deposit	6	(1,251)	1,087
Write-off of advance payments	5	462,856	-
Change in non-cash working capital			
Amounts receivable		(846)	(96,880)
Prepaid expenses		191,753	(209,036)
Accounts payable and accrued liabilities		(131,032)	(6,040)
Cash flow used in operating activities		**(915,787)**	**(1,214,223)**
INVESTING ACTIVITIES			
Exploration and evaluation assets	8	-	(150,398)
Term deposit		-	500,000
Net cash paid for acquisition	3	(61,717)	-
Cash flow provided by (used in) investing activities		**(61,717)**	**349,602**
FINANCING ACTIVITIES			
Proceeds on issuance of common shares, net of cash share issue costs	9	2,908,354	1,381,826
Cash flow provided by financing activities		**2,908,354**	**1,381,826**
Effects of exchange rate changes on cash and cash equivalents		(1,247)	(2,036)
Change in cash and cash equivalents		**1,929,603**	**515,169**
Cash and cash equivalents, beginning of period		**513,021**	**135,556**
Cash and cash equivalents, end of period		**2,442,624**	**650,725**
SUPPLEMENTAL CASH FLOW			
Shares and warrants issued for acquisition	3	8,804,851	-
Payment of finder’s fees through issue of finder’s warrants	9	254,650	22,000
Shares issued for exploration and evaluation assets	8, 9	12,000	278,666
Shares issued for services		-	684,000

1) CORPORATE AND INFORMATION AND CONTINUANCE OF OPERATIONS

American Pacific Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017, and is in the business of mineral exploration and development.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

At the date of the unaudited condensed consolidated interim financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

On April 13, 2020, the Company signed a definitive agreement (the "Definitive Agreement") with Madison Metals Inc. ("Madison") to acquire the Madison Copper Gold project (the "Madison Project") near Silver Star, Montana, USA (the "Transaction"). The Transaction was completed on June 26, 2020 (Note 3).

On April 16, 2020, the Company implemented the share consolidation of one post-consolidation common share for three pre-consolidation common shares. The number of shares and relevant information including but not limited to the share price, number of warrants and options and exercise price per warrant and option presented in these unaudited condensed consolidated interim financial statements had been adjusted accordingly.

These unaudited condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at June 30, 2020, the Company had working capital of $2,366,725 and an accumulated deficit of $8,089,370. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to funds operating costs over the next twelve months with cash and cash equivalents and through further equity financings. Management believes that the Company has sufficient working capital to meet its liabilities for the next twelve months.

COVID-19

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, has 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, results of operations and the timing of proposed transaction mentioned below at this time.

These unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2020 were approved by the Board of Directors on August 28, 2020.

2) SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these condensed consolidated interim financial statements.

3) ACQUISITION OF BROADWAY GOLD CORP.

On April 13, 2020, the Company signed the Definitive Agreement with Madison to acquire all of the issued and outstanding shares of Broadway Gold Corp. ("Broadway") which owns the Madison Project.

On June 23, 2020, the shareholders of Madison approved the Transaction.

On June 26, 2020 (the "Closing Date"), the Company completed the Transaction with Madison by issuing 20,000,000 common shares of the Company, which are subject to a six-month hold period from the Closing Date, and 5,000,000 common share purchase warrants exercisable within 18-month from the Closing Date to acquire the Company's common shares at a price of $0.25 per share to Madison.

As Broadway was a non-operating private entity it did not meet the definition of a business under IFRS 3 Business Combinations; accordingly, the Company has accounted for the Transaction in accordance with IFRS 2 Share-based Payment.

As a share-based payment transaction the Company measures the goods or services received at the more reliable measure of the fair value of the good and services received, or the fair value of the equity instruments granted. Management has determined that the fair value of the 20,000,000 common shares ($7,400,000) and the 5,000,000 warrants ($1,404,851) granted was the more reliable measure, which results in a total consideration of $8,804,851.

The Company estimated the grant date fair value of the 5,000,000 warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.26% an expected life of 18 months, an expected volatility of 170% and an expected dividend yield of 0%.

(Expressed in Canadian Dollars)

3) ACQUISITION OF BROADWAY GOLD CORP. (CONTINUED)

The total consideration of $8,804,851 and the transaction costs of $92,297 associated with the Transaction has been allocated as follows:

	$
Cash	30,580
Prepaid expenses	4,471
Equipment	64,738
Exploration and evaluation assets	8,929,111
Accounts payable and accrued liabilities	(131,752)
Purchase price	**8,897,148**
Consideration comprised of:	
20,000,000 common shares	7,400,000
5,000,000 warrants	1,404,851
Transaction costs	92,297
	8,897,148

4) CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019
	$	$
Cash	339,938	110,875
Cash equivalents	2,102,686	402,146
	2,442,624	**513,021**

5) PREPAID EXPENSES

Prepaid expenses consist of amounts paid in advance for services which will be amortized over the term of the contract.

During the year ended December 31, 2019, the Company entered into an arm's-length agreement with Wallace Hill Partners Ltd. and affiliates (collectively "Wallace"), a media specialist in the natural resources sector. The agreement is for a three-year term. The Company paid $329,142 (US$250,000) and issued a total of 933,333 of its common shares with a fair value of $504,000 in consideration for the consulting services. These amounts were initially classified as prepaid expenses and will be amortized over 3 years. During the six months ended June 30, 2020, $138,858 was charged to the statement of loss and comprehensive loss as shareholder information and investor relations expenses. As of June 30, 2020, the Company decided to terminate the agreement with Wallace; as a result, the Company recognized a write-off of advance payments of $462,856 in the statement of loss and comprehensive loss during the six months ended June 30, 2020. As of June 30, 2020, the unamortized amount was $nil (December 31, 2019 – $601,714 of which $324,000) was classified as long term).

(Expressed in Canadian Dollars)

5) PREPAID EXPENSES (CONTINUED)

During the year ended December 31, 2019, the Company entered into an arm's-length agreement with Capital Pearl Investments Inc. ("Capital Pearl"). The agreement is for a one-year term. The Company paid $40,000 and issued a total of 333,333 of its common shares with a fair value of $180,000 in consideration for the consulting services. These amounts were initially classified as prepaid expenses and will be amortized over 12 months. During the six months ended June 30, 2020, $18,333 was charged to the statement of loss and comprehensive loss as consulting fees. As of June 30, 2020, the unamortized amount was $nil (December 31, 2019 – $18,333).

During the year ended December 31, 2019, the Company entered into a second arm's-length agreement with Capital Pearl. The agreement is for a one-year term. The Company paid cash of $100,000 for the consulting services. These amounts were initially classified as prepaid expenses and will be amortized over 12 months. During the six months ended June 30, 2020, $50,000 was charged to the statement of loss and comprehensive loss as consulting fees. As of June 30, 2020, the unamortized amount was $8,333 (December 31, 2019 – $58,333).

6) RECLAMATION DEPOSITS

The Company has reclamation deposits of $27,283 (US$20,000). These bonds were put up as collateral for the Tuscarora project in the event of future operations (December 31, 2019 – $26,032 (US$20,000)).

7) EQUIPMENT

	Building	Computer equipment	Total
Cost			
As at December 31, 2019	-	7,897	**7,897**
Additions (Note 3)	64,738	-	**64,738**
Effect of movements in exchange rates	12	-	**12**
As at June 30, 2020	**64,750**	**7,897**	**72,647**
Depreciation			
As at December 31, 2019	-	(3,853)	**(3,853)**
Charged for the period	-	(1,184)	**(1,184)**
As at June 30, 2020	**-**	**(5,037)**	**(5,037)**
Net book value			
As at December 31, 2019	**-**	**4,044**	**4,044**
As at June 30, 2020	**64,750**	**2,860**	**67,610**

(Expressed in Canadian Dollars)

8) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets as of June 30, 2020

	Gooseberry project	Madison project	South Lida claims	Tuscarora property	Total
	$	$	$	$	$
Balance as at December 31, 2019	**36,850**	**-**	**554,834**	**369,973**	**961,657**
Acquisition costs					
- shares and warrants (Note 3)	-	8,929,111	-	12,000	**8,941,111**
Effect of movements in exchange rate	-	718	-	-	**718**
Balance as at June 30, 2020	**36,850**	**8,929,829**	**554,834**	**381,973**	**9,903,486**

Exploration and evaluation costs incurred by the Company during the six months ended June 30, 2020

	For the six months ended June 30, 2020			
	Gooseberry project	Madison project	Tuscarora property	Total
	$	$	$	$
Consulting	44,556	27,983	19,883	**92,422**
Equipment rental	-	-	954	**954**
Field office administration	-	520	-	**520**
Geological	26,898	1,674	2,583	**31,155**
Sample analysis	-	-	12,174	**12,174**
Transportation	1,582	2,302	-	**3,884**
Travel	-	1,172	-	**1,172**
	73,036	33,651	35,594	**142,281**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

South Lida claims (Nevada, US)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "SL Claims Purchase Agreement") with David Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") whereby the Vendors agreed to sell the South Lida Property in exchange for shares in the Company.

Under the SL Claim Purchase Agreement, the Company will issue to the Vendors a total of 1,000,000 common shares (the "Property Shares") as follows:

a) 166,667 Property Shares on July 1, 2017 (issued);
b) 166,667 Property Shares on the listing date (issued);
c) 333,333 Property Shares on the earlier of (i) six months after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued); and
d) 333,333 Property Shares on the earlier of (i) the one-year anniversary after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued at a fair value of $220,000).

(Expressed in Canadian Dollars)

8) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

South Lida claims (Nevada, US) (continued)

The acquisition of the South Lida property is a related party transaction as two of the Vendors are officers and directors of the Company.

Tuscarora property (Nevada, US)

On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Property (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, to earn the Tuscarora Option, the Company will:

a) make $400,000 cash payments to Novo Resources Corp. as follows:

   i. $125,000 due on the earlier of the listing date and January 31, 2018 (paid);
   ii. $125,000 due on the earlier of the first anniversary of the listing date and January 31, 2019 (paid); and
   iii. $150,000 due on January 31, 2021;

b) issue 266,667 common shares of the Company to Novo Resources Corp. in three equal instalments, with one-third issued on each of the listing date (issued), the first anniversaries of the listing date (issued) and second anniversaries of the listing date (issued with a fair value of $12,000); and

c) incur US$100,000 in expenditures on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter.

The property is subject to net smelter returns royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

In addition, the Company is also required to make the following payments to the Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora property:

a) Annual minimum royalty payments

On or before:	$	
November 7, 2018	4,000	Paid
November 7, 2019	4,000	Paid
November 7, 2020	4,000	
November 7, 2021	8,000	
November 7, 2022	8,000	
November 7, 2023	8,000	
November 7, 2024	8,000	
November 7, 2025	8,000	
November 7, 2026 and each succeeding anniversary	12,000	

(Expressed in Canadian Dollars)

8) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora property (Nevada, US) (continued)

b) Production royalty based on the net smelter returns from the production and sale of minerals from the Tuscarora property. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora property for which the royalty is payable as follows:

- less than or equal to $1,500 — Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 — Three percent (3%)
- greater than $2,000 — Four percent (4%)

The royalty percentage will apply for all other minerals is 2.5% of the net smelter returns.

On March 19, 2018, the Company expanded the Tuscarora Gold Project through the additional staking of 67 claims in Elko County, Nevada.

Joint Venture with OceanaGold U.S. Holdings Inc. ("OceanaGold")
On April 15, 2019, the Company entered into an earn-in agreement with OceanaGold, a US subsidiary of OceanaGold Corp.

According to earn-in agreement, OceanaGold can earn up to 51% of the Tuscarora Gold Project by investing US$4,000,000 over the next four years as follows:

On or before:	US$	
April 15, 2020	625,000	Incurred
April 15, 2021	750,000	
April 15, 2022	1,125,000	
April 15, 2023	1,500,000	

After Phase 1, OceanaGold has an option to earn an additional 24% interest by investing US$6,000,000 in the next four years.

To execute the earn-in agreement, OceanaGold made an initial cash payment of US$50,000 to the Company ($65,432) during the year ended December 31, 2019. OceanaGold will make a second payment of US$200,000 in cash or shares at Oceana's option when OceanaGold earns a 51-per-cent interest in the Tuscarora Gold Project.

OceanaGold will also make all payments to holders of underlying property interests and pay claim fees. OceanaGold will be the operator and, upon earning-in an interest, a joint venture management committee will be formed.

On January 13, 2020, OceanaGold decided not to terminate the earn-in agreement with the Company.

8) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora property (Nevada, US) (continued)

Earn-in Agreement with Elko Sun Mining Corp. ("Elko Sun")

On August 4, 2020, the Company entered into an earn-in agreement with Elko Sun, a private company in British Columbia, Canada.

According to the earn-in agreement, Elko Sun can earn up to a 51% interest in the Tuscarora Gold Project by making cash payments to or on behalf of the Company in the aggregate amount of $200,000, of which $50,000 must be made within 4 months from date of the earn-in-agreement, making share payments to the Company, and funding exploration expenditures of $1.35 million towards the Tuscarora Gold Project within 24 months from the date of the earn-in agreement ("Phase 1").

Subject to the completion of Phase 1, Elko Sun will have four years from the date of the earn-in agreement (the "Option Period") to exercise an option to earn an additional 14% interest by making additional share payments to the Company and further funding the exploration expenditures of $3 million towards the Tuscarora Gold Project ("Phase 2").

Subject to its completion of Phase 2, Elko Sun may exercise an option to earn a final 15% interest (for total interest of 80%) by completing a pre-feasibility study on the Tuscarora Gold Project before the end of the Option Period ("Phase 3").

In addition, Elko Sun will also responsible of making the payments to the Tuscarora property holders and pay the claim fees.

Elko Sun will be the operator of the Tuscarora project and, upon earning-in an interest, a joint venture management committee will be formed.

Madison Project (Montana, US)

As a result of the Transaction (Note 3), the Company acquired the fully permitted Madison Copper Gold Project ("Madison Project") near Silver Star, Montana. The Madison Project is located in the heart of Montana's prolific copper-gold belt only 38km southeast of the world-renowned Butte Mining District. The Project consists of 136 unpatented and 6 patented claims (2,514 acres), accessed via improved dirt roads. The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway on April 30, 2019, whereby Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (ASX, LON: RIO) must spend US$30 million to earn up to 70% of the project.

According to the earn-in agreement, Kennecott earn-in milestones in order of dollar value are as follows:

- Kennecott will earn 70% interest of Madison Project and the remaining 30% will be retained by Broadway if Kennecott spends US$30 million over 11 years;
- Kennecott will earn 65% interest of Madison Project and the remaining 35% will be retained by Broadway if Kennecott spends US$15 million over 8 years;
- Kennecott will earn 55% interest of Madison Project and the remaining 45% will be retained by Broadway if Kennecott spends US$5 million over 5 years.

In addition, Kennecott is required to:

- Incur minimum of US$1 million of exploration expenditures in the first year;
- Make cash payment to Broadway in an amount of US$225,000 over the first five years.

8) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Madison Project (Montana, US) (continued)
Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.
- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.
- Broadway has a right of first offer to acquire Kennecott's interest in the property in the event Kennecott wishes to divest its interest.
- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon the satisfaction of the first earn-in, 65% to Kennecott and 35% to Broadway upon the satisfaction of the second earn-in, or 70% to Kennecott and 30% to Broadway upon the satisfaction of the third earn-in.
- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.
- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% net smelter royalty with a maximum amount to be capped at US$50 million.

Under the terms of the earn-in agreement, Kennecott has an option to acquire a 55% undivided interest in the property by incurring exploration and related expenditures of US$5 million within the first five years, including a minimum exploration budget of US$1 million in the first year. If Kennecott exercises the first option, it may elect to earn an additional 10% undivided interest, for a total undivided interest of 65%, by incurring additional expenditures of US$10 million within the following three years. If Kennecott exercises the second option, it may elect to earn an additional 5% undivided interest, for a total of 70%, by incurring additional expenditures of US$15 million within the subsequent three-year period. Kennecott may elect to create the joint venture after exercising each option to earn in.

The initial exploration program applications have been submitted to the Bureau of Land Management, Montana.

Gooseberry Gold Project (Nevada, US)
On April 23, 2019, the Company acquired through staking the historic Gooseberry Mine in Storey Nevada, US. The Gooseberry Gold project includes 42 unpatented claims, totaling approximately 708 acres.

9) SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Escrow shares
During the year ended December 31, 2018, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. During the six months ended June 30, 2020, 87,500 common shares were released from escrow (June 30, 2019 – 87,500). At June 30, 2020, there were 175,000 common shares held in escrow (December 31, 2019 – 262,500).

Issued share capital
On April 16, 2020, the Company implemented the share consolidation of one post-consolidation common share for three pre-consolidation common shares

At June 30, 2020, the Company had 65,372,836 common shares issued and outstanding (December 31, 2019 – 20,915,112) with a value of $17,937,638 (December 31, 2019 – $7,871,934).

During the six months ended June 30, 2020

- On March 4, 2020, the Company issued 88,889 common shares with a fair value of $12,000 in exchange for the Tuscarora Property (Note 8).

- On May 22, 2020, the Company completed a non-brokered private placement of 23,918,035 units at a price of $0.125 for gross proceeds of $2,989,754. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $ $0.20 at any time prior to November 22, 2021.

  In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:
  - Paid cash of $57,925 as finders' fees;
  - Issued 450,800 finders' shares with fair value of $160,034;
  - Issued 914,200 finders warrants with fair value of $254,650; and
  - Paid cash of $23,475 for other expenses.

  The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 0.27%, an expected life of 18 months, an expected volatility of 171% and an expected dividend yield of 0%. The finders' warrants had the same term as the warrants issued for the non-brokered private placement

- As discussed in Note 3, on June 26, 2020, the Company issued 20,000,000 common shares, which are subject to a six-month hold period from the Closing Date, with fair value of $7,400,000 to Madison for the Transaction.

(Expressed in Canadian Dollars)

9) SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

During the six months ended June 30, 2019

- On March 1, 2019, the Company completed a non-brokered private placement of 4,867,333 units at a price of $0.30 for gross proceeds of $1,460,200. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.60 at any time prior to February 28, 2020. In connection with the private placement, the Company paid $78,374 and issued 117,880 finders warrants priced at $0.60 as share issue costs.

  The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 1.78%, an expected life of 12 months, an expected volatility of 78% and an expected dividend yield of 0%, which totaled $22,000, and recorded these values as share issuance costs.

- On March 8, 2019, the Company issued 333,333 common shares with a fair value of $220,000 for the South Lida Property.

- On March 8, 2019, the Company issued 88,889 common shares with a fair value of $58,666 for the Tuscarora Property.

- The Company issued 933,333 common shares with a fair value of $504,000 to Wallace Hill Partners Ltd. and affiliates in consideration for a three-year consulting services agreement.

- The Company issued 333,333 common shares with a fair value of $180,000 to Capital Pearl Investments in consideration for a one-year consulting services agreement.

Warrants

The changes in warrants during the six months ended June 30, 2020, are as follows:

	Number outstanding	Weighted average exercise price ($)
Balance, beginning of period	**4,183,714**	**0.60**
Issued	29,832,235	0.21
Expired	(117,902)	0.60
Balance, end of period	**33,898,047**	**0.26**

During the six months ended June 30, 2020

- 117,902 warrants with an expiry date of February 28, 2020 expired unexercised.

- The Company extended the expiry date of 2,433,667 warrants with an expiry date of February 28, 2020 to February 28, 2021. The extension was approved by the Canadian Securities Exchange.

- As discussed in Note 3, on June 26, 2020, the Company issued 5,000,000 common share purchase warrants exercisable within 18-month from the Closing Date to acquire the Company's common shares at a price of $0.25 per share to Madison for the Transaction.

(Expressed in Canadian Dollars)

9) SHARE CAPITAL (CONTINUED)

Warrants (continued)

During the six months ended June 30, 2019

- 2,007,100 warrants expired unexercised.

The following summarizes information about warrants outstanding at June 30, 2020:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
July 29, 2020 (1)	0.60	77,999	6,552	0.08
September 27, 2020 (2)	0.60	1,554,158	-	0.24
February 28, 2021	0.60	2,433,655	-	0.67
November 22, 2021	0.20	24,832,235	254,650	1.40
December 25, 2021	0.25	5,000,000	1,404,851	1.49
		33,898,047	**1,666,053**	**1.30**

(1) On July 29, 2020, 77,999 warrants expired unexercised.
(2) On July 23, 2020, the Company extended the expiry date of 1,554,158 warrants with an expiry date of July 29, 2020 to September 27, 2020.

Stock options

The Company has a Stock Option Plan (the "Plan") applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is ten years from the grant date. Under the stock option plan, management has the option of determining vesting periods.

The changes in stock options during the six months ended June 30, 2020, are as follows:

	Number outstanding	Weighted average exercise price ($)
Balance, beginning of period	1,316,667	0.737
Granted	350,000	0.325
Cancelled	(1,316,667)	0.737
Balance, end of period	**350,000**	**0.325**

During the six months ended June 30, 2020

- The Company cancelled 1,316,667 stock options.

- On May 14, 2020, the Company granted 350,000 options with an exercise price of $0.325 to a consultant. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

(Expressed in Canadian Dollars)

9) SHARE CAPITAL (CONTINUED)

Stock options (continued)

During the six months ended June 30, 2019

- On April 15, 2019, the Company granted 333,333 options with an exercise price of $0.84 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

The estimated grant date fair value of the options granted during the six months ended June 30, 2020 and 2019 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the six months ended	
	June 30, 2020	**June 30, 2019**
Number of options granted	350,000	333,333
Risk-free interest rate	0.32%	1.61%
Expected annual volatility	N/A	80%
Expected life (in years)	5.00	5.00
Expected dividend yield	0%	0%
Grant date fair value per option ($)	0.13	0.16
Share price at grant date ($)	0.24	0.25

During the six months ended June 30, 2020, the Company recognized share-based payments expense arising from stock options of $44,450 (June 30, 2019 – $156,098).

The following summarizes information about stock options outstanding and exercisable at June 30, 2020:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
May 14, 2025	0.325	350,000	350,000	44,450	4.87

On July 22, 2020, the Company granted 2,500,000 options with an exercise price of $0.49 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

(Expressed in Canadian Dollars)

10) RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the six months ended June 30, 2020 and 2019:

		For the six months ended	
		June 30, 2020	June 30, 2019
	Footnote	$	$
Warwick Smith, CEO and Director			
Consulting fees	(1)	90,655	79,364
Share-based payments		-	15,610
		90,655	94,974
Eric Saderholm, President and Director			
Consulting fees		25,247	-
Exploration and evaluation costs		90,964	112,910
Share-based payments		-	15,610
		116,211	128,520
Norman Wareham, CFO, Corporate Secretary and Director			
Consulting fees	(2)	45,000	45,000
Share-based payments		-	15,610
		45,000	60,610
Ken Cunningham, Director			
Directors' fees		8,280	7,852
Share-based payments		-	-
		8,280	7,852
Joness Lang, Director			
Consulting fees		3,000	-
Directors' fees		8,280	-
Share-based payments		-	-
		11,280	-
Alnesh Mohan, Former Director			
Consulting fees	(3)		46,800
Share-based payments		-	15,610
		-	62,410
Derrick Iwanaka, Former Director			
Share-based payments		-	3,902
Total		**271,426**	**358,268**

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.
(2) Paid to Inlet Consulting Ltd. which is controlled by Mr. Wareham.
(3) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner.

(Expressed in Canadian Dollars)

10) RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

As at June 30, 2020, the balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $58,745 (December 31, 2019 – $43,139), which were paid subsequent to June 30, 2020. These amounts are unsecured, non-interest bearing and payable on demand.

Except for the related party transactions discussed above, the following related parties of the Company participated in the non-brokered private placement completed on May 22, 2020 (Note 9):

- Mr. Smith subscribed for 160,000 units
- Mr. Saderholm subscribed for 200,000 units; and
- Mr. Lang subscribed for 40,000 units through his Company, EBC Consulting Group Ltd.

11) SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	Total $	Canada $	United States $
As at June 30, 2020			
Non-current assets			
Reclamation deposits	27,283	-	27,283
Equipment	67,610	2,860	64,750
Exploration and evaluation assets	9,903,486	-	9,903,486
	9,998,379	**2,860**	**9,995,519**
As at December 31, 2019			
Non-current assets			
Reclamation deposits	26,032	-	26,032
Prepaid expenses	324,000	324,000	-
Equipment	4,044	4,044	-
Exploration and evaluation assets	961,657	-	961,657
	1,315,733	**328,044**	**987,689**

12) CAPITAL MANAGEMENT

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its 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 capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the six months ended June 30, 2020. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

13) FINANCIAL INSTRUMENTS

Fair value
Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	June 30, 2020	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash and cash equivalents	2,442,624	2,442,624	-	-
Amounts receivable	30,163	-	30,163	-
Reclamation deposits	27,283	-	27,283	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	(161,347)	-	(161,347)	-

	December 31, 2019	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash and cash equivalents	513,021	513,021	-	-
Amounts receivable	29,317	-	29,317	-
Reclamation deposits	26,032	-	26,032	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	(160,439)	-	(160,439)	-

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

As at June 30, 2020, the financial instrument recorded at fair value on the statements of financial position is cash and cash equivalents which is measured using Level 1 of the fair value hierarchy. As at June 30, 2020, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

13) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable.

The Company's cash and cash equivalents is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and cash equivalents based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

At June 30, 2020, the Company had cash and cash equivalents of $2,442,624 and accounts payable and accrued liabilities of $161,347. All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents is held at a Canadian chartered bank. Management believes that the credit risk concentration with respect to cash is remote as the cash and cash equivalents are easily accessible.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on the balance of cash at June 30, 2020 would result in an approximately $25,000 change to the Company's loss for the six months ended June 30, 2020.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("CAD"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, and accounts payable and accrued liabilities are held in CAD and United States dollars ("US"); therefore, US accounts are subject to fluctuation against the CAD.

(Expressed in Canadian Dollars)

13) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Foreign Currency risk (continued)

The Company's financial instruments were denominated as follows as at June 30, 2020:

	CA$	US$
Cash and cash equivalents	2,416,108	19,438
Amounts receivable	30,163	-
Reclamation deposits	-	20,000
Accounts payable and accrued liabilities	(86,777)	(54,665)
	2,359,494	**(15,227)**
Rate to convert to $1.00 CAD	1.00	1.36
Equivalent to CAD	**2,359,494**	**(20,772)**

Based on the above net exposures as at June 30, 2020, and assuming that all other variables remain constant, a 10% change of the CAD against the US would change profit or loss by approximately $2,000.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

AMERICAN PACIFIC MINING CORP.

MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)

FOR THE SIX MONTHS ENDED JUNE 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

Table of Contents

BACKGROUND

This Management Discussion and Analysis ("MD&A") of American Pacific Mining Corp. ("APMC", "American Pacific" or the "Company") financial position and results of operations for the six months ended June 30, 2020 is prepared as at August 28, 2020. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2020 and the supporting notes. Those unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company is engaged in the business of mineral exploration and its objective is to locate and develop mineral properties in Western United States.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

The Company has two wholly-owned subsidiaries, American Pacific Mining (US) Inc. ("APM US") and Broadway Gold Corp. ("Broadway"). APM US was incorporated in Nevada, United States pursuant to Chapter 78 of the Nevada Revised Statutes on January 13, 2018. Broadway became a wholly-owned subsidiary on June 26, 2020, as discussed below.

ACQUISITION OF BROADWAY GOLD CORP.

On April 13, 2020, the Company signed the Definitive Agreement with Madison to acquire all of the issued and outstanding shares of Broadway which owns the Madison Project.

On June 23, 2020, the shareholders of Madison approved the Transaction.

On June 26, 2020 (the "Closing Date"), the Company completed the Transaction with Madison by issuing 20,000,000 common shares of the Company, which are subject to a six-month hold period from the Closing Date, and 5,000,000 common share purchase warrants exercisable within 18-month from the Closing Date to acquire the Company's common shares at a price of $0.25 per share to Madison.

As Broadway was a non-operating private entity it did not meet the definition of a business under IFRS 3 Business Combinations; accordingly, the Company has accounted for the Transaction in accordance with IFRS 2 Share-based Payment.

As a share-based payment transaction the Company measures the goods or services received at the more reliable measure of the fair value of the good and services received, or the fair value of the equity instruments granted. Management has determined that the fair value of the 20,000,000 common shares ($7,400,000) and the 5,000,000 warrants ($1,404,851) granted was the more reliable measure, which results in a total consideration of $8,804,851.

The Company estimated the grant date fair value of the 5,000,000 warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.26% an expected life of 18 months, an expected volatility of 170% and an expected dividend yield of 0%.

The total consideration of $8,804,851 and the transaction costs of $92,297 associated with the Transaction has been allocated as follows:

	$
Cash	30,580
Prepaid expenses	4,471
Equipment	64,738
Exploration and evaluation assets	8,929,111
Accounts payable and accrued liabilities	(131,752)
Purchase price	**8,897,148**
Consideration comprised of:	
20,000,000 common shares	7,400,000
5,000,000 warrants	1,404,851
Transaction costs	92,297
	8,897,148

COVID-19

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, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations including, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and restrictions to its drill programs, exploration and other metallurgical testing. To date, the Company has not had any adverse effects from the coronavirus.

DESCRIPTION OF BUSINESS

Tuscarora property (Nevada, US)

On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Property (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, to earn the Tuscarora Option, the Company will:

a) make $400,000 cash payments to Novo Resources Corp. as follows:

   i. $125,000 due January 31, 2018 (paid);
   ii. $125,000 due January 31, 2019 (paid); and
   iii. $150,000 due on January 31, 2021;

b) issue 266,667 common shares of the Company to Novo Resources Corp. in three equal instalments, with one-third issued on each of the listing date (issued) and the first (88,889 shares issued with a fair value of $58,666 during the year ended December 31, 2019) and second anniversaries of the listing date (88,889 shares issued with a fair value of $12,000 on March 4, 2020); and

c) incur US$$100,000 in expenditures on the property annually, starting on the twelve-month period commencing March 8, 2019 and per each successive twelve-month period thereafter.

The property is subject to net smelter returns royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

In addition, the Company is also required to make the following payments to the Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora property:

a) Annual minimum royalty payments

On or before:	$	
November 7, 2018	4,000	Paid
November 7, 2019	4,000	Paid
November 7, 2020	4,000	
November 7, 2021	8,000	
November 7, 2022	8,000	
November 7, 2023	8,000	
November 7, 2024	8,000	
November 7, 2025	8,000	
November 7, 2026 and each succeeding anniversary	12,000	

b) Production royalty based on the net smelter returns from the production and sale of minerals from the Tuscarora property. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora property for which the royalty is payable as follows:

- less than or equal to $1,500 — Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 — Three percent (3%)
- greater than $2,000 — Four percent (4%)

The royalty percentage will apply for all other minerals is 2.5% of the net smelter returns.

On March 19, 2018, the Company expanded the Tuscarora Gold Project through the additional staking of 67 claims in Elko County, Nevada.

Joint Venture with OceanaGold U.S. Holdings Inc. ("OceanaGold")

On April 15, 2019, the Company entered into an earn-in agreement with OceanaGold, a US subsidiary of OceanaGold Corp.

According to earn-in agreement, OceanaGold can earn up to 51% of the Tuscarora Gold Project by investing US$4,000,000 over the next four years ("Phase 1") as follows:

On or before:	US$	
April 15, 2020	625,000	Incurred
April 15, 2021	750,000	
April 15, 2022	1,125,000	
April 15, 2023	1,500,000	

After Phase 1, OceanaGold has an option to earn an additional 24% interest by investing US$6,000,000 in the next four years.

To execute the earn-in agreement, OceanaGold made an initial cash payment of US$50,000 to the Company ($65,432) during the year ended December 31, 2019. OceanaGold will make a second payment of US$200,000 in cash or shares at OceanaGold's option when OceanaGold earns a 51-per-cent interest in the Tuscarora Gold Project. OceanaGold will also make all payments to holders of underlying property interests and pay claim fees. OceanaGold will be the operator and, upon earning-in an interest, a joint venture management committee will be formed.

On January 13, 2020, OceanaGold decided not to proceed further and terminated the earn-in agreement with the Company.

Earn-in Agreement with Elko Sun Mining Corp. ("Elko Sun")

On August 4, 2020, the Company entered into an earn-in agreement with Elko Sun, a private company in British Columbia, Canada.

According to the earn-in agreement, Elko Sun can earn up to a 51% interest in the Tuscarora Gold Project by making cash payments to or on behalf of the Company in the aggregate amount of $200,000, of which $50,000 must be made within 4 months from date of the earn-in-agreement, making share payments to the Company, and funding exploration expenditures of $1.35 million towards the Tuscarora Gold Project within 24 months from the date of the earn-in agreement ("Phase 1").

Subject to the completion of Phase 1, Elko Sun will have four years from the date of the earn-in agreement (the "Option Period") to exercise an option to earn an additional 14% interest by making additional share payments to the Company and further funding the exploration expenditures of $3 million towards the Tuscarora Gold Project ("Phase 2").

Subject to its completion of Phase 2, Elko Sun may exercise an option to earn a final 15% interest (for total interest of 80%) by completing a pre-feasibility study on the Tuscarora Gold Project before the end of the Option Period ("Phase 3").

In addition, Elko Sun will also responsible of making the payments to the Tuscarora property holders and pay the claim fees.

Elko Sun will be the operator of the Tuscarora project and, upon earning-in an interest, a joint venture management committee will be formed.

Gooseberry Gold Project (Nevada, US)

On April 23, 2019, the Company acquired through staking the historic Gooseberry Mine in Storey Nevada, USA. The Gooseberry Gold project includes 42 unpatented claims, totaling approximately 708 acres. The Gooseberry Gold Project contains gold-silver bearing quartz-calcite vein structures that are characterized as low-sulfidation epithermal style mineralization typified by banded to cockade quartz textures and the presence of adularia and kaolinite.

Initial surface sampling and exploration around the property commenced May 10, 2019. Total of nine initial samples were taken from the dumps and old mineralized stockpiles at Gooseberry, with highlight results including the following:

- Sample GB19ECS-007- 1.05 kg: 18.45 g/t Au and 595 g/t Ag
- Sample GB19ECS-003- 0.59 kg: 17.75 g/t Au and 310 g/t Ag
- Sample GB19ECS-001- 1.25 kg: 10.25 g/t Au and 218 g/t Ag
- Sample GB19ECS-006- 0.70 kg: 10.20 g/t Au and 273 g/t Ag

Samples were taken from mineralized vein material composed of dolomite, calcite and quartz. Grab samples are selective samples and may not necessarily be representative of the mineralization hosted on the property.

Historically, mined materials were brought to the surface and stockpiled at Gooseberry, crushed and then run through a heap leach. These nine samples were taken from materials most likely extracted late in the mining phase due to their location on the upper stockpile. Some materials have gone through a primary crushing process only. According to historical records Asamera Minerals Inc. ceased hard rock mining during 1989 due to low metals prices and higher underground production costs and moved to re-process the more easily accessible mine tailings.

On October 21, 2019, the Company located approximately ten boxes of Gooseberry Mine data from a previous mine owner, Asamera Minerals Inc. With the assistance of the Nevada Bureau of Mines and Geology, data that includes historical assays information, surface grid maps, drill hole location maps, some drill hole information and detailed underground stope maps were located within The Great Basin Science Sample and Records Library. The data was then processed and reviewed by the GIS team in order to begin initial internal modelling of the property.

On February 13, 2020 the Company announced that it had created a 3D model for the high-grade project. Historical underground sampling data from the project was put into 3-dimensional space for the first time. The leapfrog model shows a clearly defined, nearly vertical vein structure with very prospective grades of gold and silver displayed in gold equivalent, to approximately 1,450 feet in length. For complete details on the 3D model refer to the News Release dated February 13, 2020.

Madison Copper Gold Project (Montana, US)

On June 26, 2020, the Company acquired the fully permitted Madison Copper Gold Project ("Madison Project") near Silver Star, Montana. The Madison Project is located in the heart of Montana's prolific copper-gold belt only 38km southeast of the world-renowned Butte Mining District. The Project consists of 136 unpatented and 6 patented claims (2,514 acres), accessed via improved dirt roads. The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway on April 30, 2019, whereby Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (ASX, LON: RIO) must spend US$30 million to earn up to 70% of the project.

According to the earn-in agreement, Kennecott earn-in milestones in order of dollar value are as follows:

- Kennecott will earn 70% interest of Madison Project and the remaining 30% will be retained by Broadway if Kennecott spends US$30 million over 11 years;
- Kennecott will earn 65% interest of Madison Project and the remaining 35% will be retained by Broadway if Kennecott spends US$15 million over 8 years;
- Kennecott will earn 55% interest of Madison Project and the remaining 45% will be retained by Broadway if Kennecott spends US$5 million over 5 years.

In addition, Kennecott is required to:

- Incur minimum of US$1 million of exploration expenditures in the first year;
- Make cash payment to Broadway in an amount of US$225,000 over the first five years.

Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.

- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.

- Broadway has a right of first offer to acquire Kennecott's interest in the property in the event Kennecott wishes to divest its interest.

- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon the satisfaction of the first earn-in, 65% to Kennecott and 35% to Broadway upon the satisfaction of the second earn-in, or 70% to Kennecott and 30% to Broadway upon the satisfaction of the third earn-in.

- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.

- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% net smelter royalty with a maximum amount to be capped at US$50 million.

Under the terms of the earn-in agreement, Kennecott has an option to acquire a 55% undivided interest in the property by incurring exploration and related expenditures of US$5 million within the first five years, including a minimum exploration budget of US$1 million in the first year. If Kennecott exercises the first option, it may elect to earn an additional 10% undivided interest, for a total undivided interest of 65%, by incurring additional expenditures of US$10 million within the following three years. If Kennecott exercises the second option, it may elect to earn an additional 5% undivided interest, for a total of 70%, by incurring additional expenditures of US$15 million within the subsequent three-year period. Kennecott may elect to create the joint venture after exercising each option to earn in.

The initial exploration program applications have been submitted to the Bureau of Land Management, Montana.

On July 29, 2020, the Company announced the commencement of the 2020 drilling program. The 2020 drill program will target over one kilometer of strike length of the Madison mineralization and will drill test areas south of the Madison Mine in the vicinity of the historic Broadway and Hudson mines.

South Lida claims (Nevada, US)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "SL Claims Purchase Agreement") with David Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") whereby the Vendors agreed to sell the South Lida Property in exchange for shares in the Company.

Under the SL Claim Purchase Agreement, the Company will issue to the Vendors a total of 1,000,000 common shares (the "Property Shares") as follows:

a) 166,667 Property Shares on July 1, 2017 (issued);
b) 166,667 Property Shares on the listing date (issued);
c) 333,333 Property Shares on the earlier of (i) six months after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued); and
d) 333,333 Property Shares on the earlier of (i) the one-year anniversary after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued at a fair value of $220,000).

The acquisition of the South Lida property is a related party transaction as two of the Vendors are officers and directors of the Company.

JPL Gold Project (Nevada, US)

On April 5, 2018 (the "Effective Date"), the Company entered into an exploration lease and option agreement ("JPL Option Agreement") for the JPL Property with Curellie LLC, a private company based in Nevada USA ("Curellie"). The property consists of 54 unpatented mining claims situated in Esmeralda County, Nevada.

Curellie granted to the Company the exclusive option and right ("JPL Option") to acquire ownership of the JPL Property by making the following minimum payments to Curellie:

- Execution of the Agreement – US$15,000 (Paid)
- First anniversary of the Effective Date – US$20,000(1)
- Second anniversary of the Effective Date – US$25,000(2)
- Third anniversary and each succeeding anniversary of the Effective Date – US$30,000(2)

(1) The minimum payment to be made by the first anniversary of the effective date was not paid due to the option agreement being terminated.

(2) The minimum payments to be made by the second anniversary, the third anniversary and each succeeding anniversary of the effective date are no longer required to be paid as the option agreement is terminated.

The Company will pay a 3% production royalty to Curellie based on the Net Smelter Returns from the production and sale of minerals from the property.

On May 3, 2018, the Company, through its wholly-owned subsidiary, APM US, vended out the JPL Project to AAA Equity Holdings Corp. ("AAA"). APM US has agreed to assign, transfer and set over all of its rights and obligations arising out of the Agreement between APM US and Curellie LLC to AAA ("JPL Vending Agreement").

According to the JPL Vending Agreement, AAA will:

a) issue 500,000 of its common shares to the Company; (issued)
b) complete $75,000 in exploration expenditures on the JPL Project within twelve months; and
c) in the event that AAA elects to exercise the JPL Option (as defined in the JPL Option Agreement), pay to APM US a 1% net smelter return on the JPL Property.

On May 3, 2018, the Company received 500,000 common shares of AAA. As there were no quoted prices in active market for AAA's shares, the Company valued the shares at US$25,290 which was the carrying value of the JPL Project exchanged. The 500,000 shares were classified as financial assets at FVTOCI.

On November 16, 2018, AAA provided a written notice to the Company to terminate the JPL Vending Agreement. Following with the notice received from AAA, the Company provided a written notice to Curellie to terminate the JPL Option Agreement on November 16, 2018.

On January 16, 2019, AAA cancelled the 166,667 common shares issued to the Company. As a result of the cancellation, the Company recognized a decline in the fair value of 166,667 common shares of $34,470 (US$25,290) as other comprehensive loss in the statement of loss and comprehensive loss during the year ended December 31, 2018.

RESULTS OF OPERATIONS

Three months ended June 30, 2020

During the three months ended June 30, 2020, the Company recorded a net loss of $982,310 compared to $652,094 for the three months ended June 30, 2019.

During the three months ended June 30, 2020, the Company incurred the following significant expenditures:

- Consulting fees of $195,610 (June 30, 2019 – $140,632);
- Exploration and evaluation costs of $62,639 (June 30, 2019 – $80,669);
- General and administrative costs of $21,673 (June 30, 2019 – $32,780);
- Professional fees of $36,370 (June 30, 2019 – $89,421);
- Share-based payments of $44,450 (June 30, 2019 – $156,098);
- Shareholder information and investor relations of $106,174 (June 30, 2019 – $150,195); and
- Transfer agent, regulatory and listing fees of $43,860 (June 30, 2019 – $27,366).

In addition, during the three months ended June 30, 2020, the Company decided to terminate the agreement with Wallace Hill Partners Ltd. and affiliates, a media specialist in the natural resources sector. As a result, the Company recognized a write-off of advance payments of $462,856.

Six months ended June 30, 2020

During the six months ended June 30, 2020, the Company recorded a net loss of $1,482,901 compared to $1,060,637 for the six months ended June 30, 2019.

During the six months ended June 30, 2020, the Company incurred the following significant expenditures:

- Consulting fees of $356,599 (June 30, 2019 – $275,097);
- Exploration and evaluation costs of $142,281 (June 30, 2019 – $156,387);
- General and administrative costs of $45,026 (June 30, 2019 – $67,294);
- Professional fees of $90,654 (June 30, 2019 – $134,465);
- Share-based payments of $44,450 (June 30, 2019 – $156,098);
- Shareholder information and investor relations of $252,190 (June 30, 2019 – $208,727); and
- Transfer agent, regulatory and listing fees of $63,789 (June 30, 2019 – $52,536).

In addition, during the six months ended June 30, 2020, the Company decided to terminate the agreement with Wallace Hill Partners Ltd. and affiliates, a media specialist in the natural resources sector. As a result, the Company recognized a write-off of advance payments of $462,856.

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**
	$	**$**	**$**	**$**
Interest income	797	-	-	1,279
Net loss	(982,310)	(500,591)	(780,105)	(672,437)
Comprehensive loss	(983,014)	(500,591)	(776,621)	(672,430)
Basic and diluted loss per share	(0.03)	(0.02)	(0.04)	(0.03)

	Three months ended			
	June 30, 2019	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**
	$	**$**	**$**	**$**
Interest income	3,046	144	2,206	479
Net loss	(652,094)	(408,543)	(701,255)	(651,622)
Comprehensive loss	(652,100)	(410,529)	(734,171)	(649,498)
Basic and diluted loss per share	(0.04)	(0.03)	(0.03)	(0.06)

SELECTED INFORMATION

	For the six months ended		
	June 30, 2020	June 30, 2019	June 30, 2018
	$	$	$
Operating expenses	1,021,593	1,122,790	(2,299,786)
Net loss for the period	(1,482,901)	(1,060,637)	(2,299,786)
Comprehensive loss for the period	(1,483,605)	(1,062,629)	(2,302,115)
Basic and diluted loss per share:			
- net loss	(0.05)	(0.07)	(0.27)

As at	June 30, 2020	December 31, 2019	December 31, 2018
	$	$	$
Working capital	2,366,725	763,321	531,067
Total assets	12,526,451	2,239,493	1,321,914
Total liabilities	161,347	160,439	173,438
Share capital	17,937,638	7,871,934	4,656,090
Deficit	(8,089,370)	(6,606,469)	(4,093,290)

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

On May 22, 2020, the Company closed a non-brokered private placement for 23,918,035 units with total gross proceeds of $2,989,754.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

As of June 30, 2020, the Company has working capital of $2,366,725.

OUTSTANDING SHARE DATA

At June 30, 2020, the Company had 65,372,836 common shares issued and outstanding (December 31, 2019 – 20,915,122) with a value of $17,937,638 (December 31, 2019 – $7,871,934).

Share consolidation

On April 16, 2020, the Company implemented the share consolidation of one post-consolidation common share for three pre-consolidation common shares.

Escrow shares

During the year ended December 31, 2018, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. During the six months ended June 30, 2020, 87,500 common shares were released from escrow

(June 30, 2019 – 87,500). At June 30, 2020, there were 175,000 common shares held in escrow (December 31, 2019 – 262,500).

<u>During the six months ended June 30, 2020:</u>

- On March 4, 2020, the Company issued 88,889 common shares with a fair value of $12,000 for the Tuscarora Property.

- On May 22, 2020, the Company completed a non-brokered private placement of 23,918,035 units at a price of $0.125 for gross proceeds of $2,989,754. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $ $0.20 at any time prior to November 22, 2021.

  In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:
  - Paid cash of $57,925 as finders' fees;
  - Issued 450,800 finders' shares with fair value of $160,034;
  - Issued 914,200 finders warrants with fair value of $254,650; and
  - Paid cash of $23,475 for other expenses.

  The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 0.27%, an expected life of 18 months, an expected volatility of 171% and an expected dividend yield of 0%. The finders' warrants had the same term as the warrants issued for the non-brokered private placement

- On June 26, 2020, the Company issued 20,000,000 common shares, which are subject to a six-month hold period from the Closing Date, with fair value of $7,400,000 to Madison for the Transaction. The Company also issued 5,000,000 common share purchase warrants exercisable within 18-months from the Closing Date to acquire the Company's common shares at a price of $0.25 per share to Madison for the Transaction.

- The Company extended the expiry date of 2,433,667 warrants with an expiry date of February 28, 2020 to February 28, 2021. The extension had been approved by Canadian Securities Exchange.

- 117,902 warrants expired unexercised.

- On May 14, 2020, the Company granted 350,000 options with an exercise price of $0.325 to a consultant. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- 1,316,667 stock options were cancelled.

<u>Subsequent to June 30, 2020:</u>

- On July 22, 2020, the Company granted 2,500,000 options with an exercise price of $0.48 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant

- On July 23, 2020, the Company extended the expiry date of 1,554,518 warrants with an expiry date of July 29, 2020 to September 27, 2020.

- On July 29, 2020, 77,999 warrants expired unexercised.

As of the date of this MDA, the Company had:

- 65,372,836 common shares issued and outstanding;
- 33,820,048 warrants with an exercise price ranging from $0.20 to $0.60; and
- 2,850,000 stock options with an exercise price ranging from $0.325 to $0.49.

SUBSEQUENT EVENTS

Subsequent to June 30, 2020:

- On July 22, 2020, the Company granted 2,500,000 options with an exercise price of $0.49 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- On July 23, the Company extended the expiry date of 1,554,158 warrants with an expiry date of July 29, 2020 to September 27, 2020.

- On July 23, 2020, the Company announced it has engaged Kristina Pillon of High Tide Consulting Corp. in an investor relations and corporate communications capacity for an initial term of six months.

- On July 29, 2020, the Company announced the commencement of the 2020 drilling program at the Madison Project located in Montana, USA.

- On August 4, 2020, the Company entered into an earn-in agreement with Elko Sun, a private company in British Columbia, Canada. Elko Sun can earn up to a 51% interest in the Tuscarora Gold Project by making cash payments to or on behalf of the Company in the aggregate amount of $200,000, of which $50,000 must be made within 4 months from date of the earn-in-agreement, making share payments to the Company, and funding exploration expenditures of $1.35 million towards the Tuscarora Gold Project within 24 months from the date of the earn-in agreement ("Phase 1").

  Subject to the completion of Phase 1, Elko Sun will have four years from the date of the earn-in agreement (the "Option Period") to exercise an option to earn an additional 14% interest by making additional share payments to the Company and further funding the exploration expenditures of $3 million towards the Tuscarora Gold Project ("Phase 2").

  Subject to its completion of Phase 2, Elko Sun may exercise an option to earn a final 15% interest (for total interest of 80%) by completing a pre-feasibility study on the Tuscarora Gold Project before the end of the Option Period ("Phase 3").

  In addition, Elko Sun will also responsible of making the payments to the Tuscarora property holders and pay the claim fees. Elko Sun will be the operator of the Tuscarora project and, upon earning-in an interest, a joint venture management committee will be formed.

- On August 17, 2020, the Company announced that it will commence trading on the OTCQB under the symbol "USDGF". The Company has chosen to trade on this US marketplace to provide current and future US-based investors with greater access, ease of trading, home country disclosure, current financial disclosures and Real-Time Level 2 quotes.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the six months ended June 30, 2020 and 2019:

		For the six months ended	
		June 30, 2020	**June 30, 2019**
	Footnote	**$**	**$**
Warwick Smith, CEO and Director			
Consulting fees	(1)	90,655	79,364
Share-based payments		-	15,610
		90,655	94,974
Eric Saderholm, President and Director			
Consulting fees		25,247	-
Exploration and evaluation costs		90,964	112,910
Share-based payments		-	15,610
		116,211	128,520
Norman Wareham, CFO, Corporate Secretary and Director			
Consulting fees	(2)	45,000	45,000
Share-based payments		-	15,610
		45,000	60,610
Ken Cunningham, Director			
Directors' fees		8,280	7,852
Share-based payments		-	-
		8,280	7,852
Joness Lang, Director			
Consulting fees		3,000	-
Directors' fees		8,280	-
Share-based payments		-	-
		11,280	-
Alnesh Mohan, Former Director			
Consulting fees	(3)		46,800
Share-based payments		-	15,610
		-	62,410
Derrick Iwanaka, Former Director			
Share-based payments		-	3,902
Total		**271,426**	**358,268**

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.
(2) Paid to Inlet Consulting Ltd. which is controlled by Mr. Wareham.
(3) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner.

As at June 30, 2020, the balances due to the Company's directors and officers included in accounts payables and accrued liabilities were $58,745 (December 31, 2019 – $43,139), which were paid subsequent to June 30, 2020. These amounts are unsecured, non-interest bearing and payable on demand.

Except for the related party transactions discussed above, the following related parties of the Company participated in the non-brokered private placement completed on May 22, 2020:

- Mr. Smith subscribed for 160,000 units;
- Mr. Saderholm subscribed for 200,000 units; and
- Mr. Lang subscribed for 40,000 units through his Company, EBC Consulting Group Ltd.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended December 31, 2019 for details on critical accounting estimates and judgments.

CHANGES IN ACCOUNTING POLICIES

Adoption of new and amended accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2020.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 14 of our audited consolidated financial statements for the year ended December 31, 2019. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended December 31, 2019.

OTHER MD&A REQUIREMENTS

Management's responsibility for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Risks and uncertainties

Investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of operations.

- **General**
  The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of its securities.

- **Limited Operating History**
  The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Private Placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

- **Speculative Nature of Mineral Exploration**
  Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

- **Acquisition of Additional Mineral Properties**
  If the Company loses or abandons its option to acquire an interest in the Tuscarora Property there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

- **Gold Deposits**
  The Tuscarora Property and Gooseberry Gold Projects are in the exploration stage only and are without a known economic mineralization. Development of these properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

- **Uninsurable Risks**
  In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

- **Permits and Government Regulations**
  The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Tuscarora Property.

- **Environmental and Safety Regulations and Risks**
  Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

- **Key Person Insurance**
  The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

- **Mineral Titles**
  The Company is satisfied that evidence of title to the Tuscarora Property and the Gooseberry Gold Project is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Tuscarora Property. The Company may face challenges to the title of the Tuscarora Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

- **Loss of Interest in Properties**
  The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing.

  Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Tuscarora Property.

- **Fluctuating Mineral Prices**
  The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

- **Competition**
  The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

- **Management**
  The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

- **Financing Risks**
  The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

- **Negative Cash Flows from Operations**

  The Company had negative operating cash flow for the period from incorporation to June 30, 2020. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

  The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

- **Resale of Common Shares**

  The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

- **Price Volatility of Publicly Traded Securities**

  In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

- **Conflicts of Interest**

  Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia Business Corporations Act. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

  - Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
  - No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

- **Tax Issues**
  Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

- **Dividends**
  The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

- **Risk of global outbreaks and contagious diseases**
  The risk of global outbreaks, including COVID-19, have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

  There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. 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, results of operations or ability to raise funds at this time.