



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2019

**488 - 625 Howe Street
Vancouver, B.C. V6C 2T6**

TELEPHONE: 604-681-0221

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Explorex Resources Inc. have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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

Explorex Resources Inc.

Condensed Interim Consolidated Statements of Financial Position

As at

(Expressed in Canadian Dollars)

(Unaudited)

	<u>December 31, 2019</u>	<u>March 31, 2018</u>
ASSETS		
Current		
Cash	\$ 48,078	\$ 68,596
Receivables (Note 1)	37,275	11,494
Prepaid expenses	<u>8,503</u>	<u>75,128</u>
	93,856	155,218
Non-current assets		
Exploration and evaluation assets (Note 5 and 9)	<u>811,441</u>	<u>640,546</u>
	\$ 905,297	\$ 795,764
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 185,149	\$ 115,883
Flow-through share premium liability (Note 6)	-	22,861
Flow-through obligation (Note 6)	<u>31,000</u>	<u>31,000</u>
	216,149	169,744
Shareholders' equity		
Share capital (Note 6)	5,114,870	4,432,251
Share-based payment reserve (Note 6)	536,627	332,448
Deficit	<u>(4,962,349)</u>	<u>(4,138,679)</u>
	689,148	626,020
	\$ 905,297	\$ 795,764

Nature and continuance of operations (Note 1)

Commitments (Note 9)

Approved and authorized by the Board on February 28, 2020

Approved on behalf of the Board:

“William E. A. Wishart”

William E.A. Wishart, Director

“Gary Schellenberg”

Gary Schellenberg, Director

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

Explorex Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2019	2018	2019	2018
EXPENSES				
Advertising and marketing	\$ 102,910	\$ 103,439	\$ 161,531	\$ 329,681
Consulting (Note 9)	13,500	13,550	50,425	51,050
General office (Note 6)	19,287	51,349	39,701	82,671
Management fees (Note 9)	52,875	61,850	169,950	195,125
Professional fees (Note 9)	23,917	24,963	74,734	141,560
Property investigation	-	(17,807)	2,744	88,314
Rent (Note 9)	-	5,850	-	17,550
Share-based payments (Notes 6 and 9)	-	-	225,853	-
Transfer agent and filing fees	2,319	2,298	8,320	14,018
Travel	2,625	1,997	2,625	2,895
Loss before other items	(217,433)	(247,489)	(735,883)	(922,864)
Write off of exploration and evaluation assets (Note 5)	(101,678)	-	(110,648)	-
Reduction of flow-through premium liability (Note 6)	22,861	27,854	22,861	27,854
Loss and comprehensive loss for the period	\$ (296,250)	\$ (219,635)	\$ (823,670)	\$ (895,010)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.04)
Weighted average number of common shares outstanding	24,802,291	20,083,490	23,348,608	18,603,826

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

Explorex Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended	
	December 31, 2019	December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (823,670)	\$ (895,010)
Non-cash items		
Flow through obligation	-	31,000
Reduction of flow through premium liability	(22,861)	(27,854)
Share-based payment	225,853	-
Write off of exploration and evaluation assets	110,648	-
Change in non-cash working capital accounts		
Receivable	(25,781)	4,362
Prepaid expenses	166,625	(73,004)
Accounts payable and accrued liabilities	83,270	153,085
Cash used in operating activities	(285,916)	(807,421)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares for cash, net	399,565	793,875
Stock options exercised	31,750	6,500
Warrants exercised	31,547	113,627
Cash provided by financing activities	462,862	914,002
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(197,464)	(26,752)
Cash used in investing activities	(197,464)	(26,752)
Change in cash for the period	(20,518)	79,829
Cash, beginning of the period	68,596	129,804
Cash, end of the period	\$ 48,078	\$ 209,633

Supplemental cash flow information:

Exploration expenditures in accounts payable and accrued liabilities	\$ 6,844	\$ 178,708
Flow-through premium liability on issuance of flow-through shares	\$ -	\$ 23,450
Fair value reversal of stock options exercised	\$ 21,674	\$ 3,050
Shares issued for exploration and evaluation assets	\$ 98,083	\$ 276,500
Shares issued for debt settlement	\$ 100,000	\$ 151,250
Warrants issued as finders fees	\$ -	\$ 2,378

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

Explorex Resources Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Share-Based Payment Reserve	Deficit	Total Shareholders' Equity
Balance, March 31, 2018	16,067,197	\$ 3,022,479	\$ 336,170	\$ (2,766,703)	\$ 591,946
Shares issued for cash	3,710,500	951,075	-	-	951,075
Shares issue costs – cash	-	(5,950)	-	-	(5,950)
Share issue costs – finder warrants	-	(2,378)	2,378	-	-
Flow-through share premium	-	(23,450)	-	-	(23,450)
Exercise of options	50,000	9,550	(3,050)	-	6,500
Exercise of warrants	476,222	113,627	-	-	113,627
Shares issued for exploration and evaluation assets	925,000	276,500	-	-	276,500
Loss for the period	-	-	-	(895,010)	(895,010)
Balance, December 31, 2018	21,228,919	\$ 4,341,453	\$ 335,498	\$ (3,661,713)	\$ 1,015,238
Balance, March 31, 2019	21,758,918	\$ 4,432,251	\$ 332,448	\$ (4,138,679)	\$ 626,020
Shares issued for cash	1,997,825	399,565	-	-	399,565
Exercise of options	175,000	53,424	(21,674)	-	31,750
Exercise of warrants	186,667	31,547	-	-	31,547
Share issued to settle debt	400,000	100,000	-	-	100,000
Share-based payment	-	-	225,853	-	225,853
Shares issued for exploration and evaluation assets	452,609	98,083	-	-	98,083
Loss for the period	-	-	-	(823,670)	(823,670)
Balance, December 31, 2019	24,971,019	\$ 5,114,870	\$ 536,627	\$ (4,962,349)	\$ 689,148

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

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Explorex Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 488 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6. The registered office of the Company is located at Suite 400-725 Granville Street, Vancouver, British Columbia, V7Y 1G5. The Company does not have any subsidiaries.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the condensed interim consolidated financial statements.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at December 31, 2019, the Company had negative working capital of \$122,293, had not yet achieved profitable operations and has an accumulated deficit of \$4,962,349 since its inception. The Company expects to incur further losses in the development of its business, all of these circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The Company will require additional financing in order to explore new business opportunities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

2. REVERSE TAKE OVER AND TRANSFER OF ASSETS

The Company entered into a definitive share exchange agreement dated December 20, 2019 (the “Share Exchange Agreement”) to acquire all of the outstanding shares of Raffles Financial Private Limited (“Raffles Financial”), a company incorporated under the laws of Singapore and operating in Singapore, with regional branch offices in Sydney, Australia, Beijing and Hong Kong (“Transaction”). Raffles Financial is arm’s-length to the Company and is a diversified financial services company that provides corporate finance advisory services related to IPO investments and arrangements, advice related to investment management, wealth and family office strategy counsel, and investment governance and oversight of funds. The proposed Transaction will constitute a “fundamental change” of business for the Company.

The Company will consolidate its outstanding Common Shares (“consolidation”) such that the consolidation will result in 1,050,000 Common Shares outstanding immediately before closing. The shareholders of Raffles Financial (“Raffles Shareholders”) will then be issued an aggregate of 45,000,000 post-Consolidation Explorex Common Shares. The Financing described below is expected to result in the issuance of 4,000,000 post-Consolidation Common Shares, such that giving effect to the Financing, a total of 50,050,000 post-Consolidation Explorex Common Shares will be outstanding, with the Raffles Shareholders holding approximately 89.9% of the outstanding Common Shares. The Transaction will result in a reverse takeover of the Company by the Raffles Shareholders.

Concurrently, the Company entered into an arrangement agreement dated January 28, 2020 to complete a plan of arrangement (“POA”) under the Business Corporations Act (British Columbia) with its newly incorporated wholly-owned subsidiary, Origen Resources Inc. (formerly 1223104 B.C. Ltd.), whereby the Company’s current mineral exploration assets, liabilities and estimated \$500,000 of cash will be spun out to Origen Resources Inc. in accordance with the POA, and Origen Resources Inc. (formerly 1223104 B.C. Ltd.) will apply to be listed on the CSE.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

2. REVERSE TAKE OVER AND TRANSFER OF ASSETS (cont'd...)

Upon completion of the Transaction and certain related transactions described herein, the Company expects that it, as the resulting issuer (the “Resulting Issuer”), will effect a name change to Raffles Financial Group Limited and complete a share consolidation. The Company also proposes to continue its corporate jurisdiction from British Columbia to the Cayman Islands (the “Continuation”).

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to (i) the completion of a concurrent financing for up to \$20,000,000 (the “Financing”); (ii) the approval by the shareholders of the Company in respect of the Transaction as a “fundamental change” of business, the Continuation and the POA; and (iii) receipt of all requisite regulatory, CSE, court or governmental authorizations and third party approvals or consents.

Finder’s fees will be paid to an arms’ length party in connection with the Transaction. Raffles Financial is to incur all costs relating to the Transaction and POA. As at December 31, 2019, the Company incurred \$25,213 in such costs and has recorded this amount as receivable

3. BASIS OF PRESENTATION

Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance to IAS 34 Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. These condensed interim consolidated financial statements do not include all the information required for full annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2019.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company and its subsidiary’s functional currency.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Origen Resources Inc. (formerly 1223104 B.C. Ltd.) from the date of formation September 12, 2019. The Company’s subsidiary is a holding company. All significant intercompany accounts and transaction between the Company and its subsidiary have been eliminated upon consolidation.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended March 31, 2019, except for the following:

In June, 2016 the IASB issued IFRS 16 which introduces new or amended requirements with respect to lease accounting. IFRS 16 introduced significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use assets and lease liabilities at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. IFRS 16 was issued in January 2016 and applies to annual financial reporting periods beginning on or after January 1, 2019.

IFRS 16 has changed how the Company accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet. Applying IFRS 16 for all except for short term leases and leases of low-value assets, the Company will (i) recognize 'right-of-use' assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments discounted at the incremental borrowing rate; (ii) recognize depreciation of right-of-use assets and interest on lease liabilities in the statement of loss; and (iii) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows. At April 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

In June, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. At April 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

	Silver Dollar Property	Arlington Property	Beatrice Property	Kagoot Brook Property	Bonanza Mountain Project	Buena Vista Hills Cobalt- Iron Oxide Copper Gold Project	Chrysler Property	Cobalt- Paragon Property	Handlebar Property	Total
Acquisition Costs										
Opening, March 31, 2018	\$ 68,000	\$ (9,065)	\$ 12,000	\$ -	\$ -	\$ -	\$ 64,500	\$ 61,000	\$ 7,003	\$ 203,438
Additions during the year	240,000	-	-	66,594	-	-	-	39,000	-	345,594
Option payment received/Grants	(25,000)	-	-	(30,000)	-	-	-	-	-	(55,000)
Closing, March 31, 2019	283,000	(9,065)	12,000	36,594	-	-	64,500	100,000	7,003	494,032
Exploration Costs										
Opening, March 31, 2018	135,830	17,560	3,500	-	-	-	25,284	32,847	-	215,021
Assay	-	-	-	3,350	-	-	-	-	-	3,350
Drilling	-	-	-	55,874	-	-	-	-	-	55,874
Equipment, field supplies, and other	-	-	-	42,007	-	-	-	-	-	42,007
Geological	84	-	-	85,464	-	-	-	2,650	-	88,198
Geophysical	-	-	-	1,932	-	-	-	-	-	1,932
Recovery – BCMETC	(27,584)	-	-	-	-	-	-	-	-	(27,584)
Closing, March 31, 2019	108,330	17,560	3,500	188,627	-	-	25,284	35,497	-	378,798
Write offs	-	-	-	-	-	-	(89,784)	(135,497)	(7,003)	(232,284)
Balance, March 31, 2019	\$ 391,330	\$ 8,495	\$ 15,500	\$ 225,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,546
Acquisition Costs										
Opening, March 31, 2019	\$ 283,000	\$ (9,065)	\$ 12,000	\$ 36,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,529
Additions during the period	-	-	-	51,719	4,000	97,240	-	8,970	-	161,929
Option payment received/Grants	-	-	-	-	-	-	-	-	-	-
Closing, December 31, 2019	283,000	(9,065)	12,000	88,313	4,000	97,240	-	8,970	-	484,458
Exploration Costs										
Opening, March 31, 2019	108,330	17,560	3,500	188,627	-	-	-	-	-	318,017
Assay	-	-	-	-	24,914	300	-	-	-	25,214
Drilling	-	-	-	-	-	-	-	-	-	-
Equipment, field supplies, and other	-	7,953	-	-	79,482	4,138	-	-	-	91,573
Geological	2,452	-	-	-	-	-	-	-	-	2,452
Geophysical	-	-	-	375	-	-	-	-	-	375
Closing, December 31, 2019	110,782	25,513	3,500	189,002	104,396	4,438	-	-	-	437,631
Write offs	-	-	-	-	-	(101,678)	-	(8,970)	-	(110,648)
Balance, December 31, 2019	\$ 393,782	\$ 16,448	\$ 15,500	\$ 277,315	\$ 108,396	\$ -	\$ -	\$ -	\$ -	\$ 811,441

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Arlington Property, British Columbia

On January 19, 2015, the Company acquired a 100% interest in the Arlington property by staking.

On April 27, 2017, the Company entered into an option agreement with Clarmin Exploration Inc. ("Clarmin"), under which Clarmin may acquire a 100% interest in the Company's Arlington property, located in south-central British Columbia. Under the agreement, Clarmin could earn a 100% interest by making certain staged payments over a three-year period equal to a total of \$105,000 in cash (received \$20,000), 500,000 common shares and incurring \$500,000 in exploration expenditures on the property.

On April 27, 2019, Clarmin elected to terminate the option agreement and the Arlington property reverted to the Company in good standing.

Silver Dollar Property, British Columbia

On May 11, 2016, the Company entered into an option agreement with Happy Creek Minerals Ltd. ("Happy Creek") to earn a 100% interest in Happy Creek's Silver Dollar property. Through a series of amended agreements dated November 23, 2016 and April 11, 2017 the Company earned a 100% interest during the year ended March 31, 2019, by making various cash payments totaling \$20,000, incurring \$100,000 in expenditures and issuing 1,100,000 shares valued at \$288,000.

The agreement is subject to a 1% net smelter royalty ("NSR") payable to Happy Creek.

The Company entered into an option agreement with Mariner Resources Corp. ("Mariner") on August 14, 2018, the companies are related by virtue of a director of Mariner and officers of the Company being related, whereby Mariner has the right to acquire a 75 percent interest in the Silver Dollar property. Pursuant to the option agreement, Mariner is required to make cash payments, issue shares, and meet exploration expenditure requirements as follows:

- Cash payments: Mariner is required to pay \$25,000 upon execution of the agreement (received), an additional \$50,000 in cash or common shares of Mariner, at Mariner's discretion, on or before May 30, 2021, \$100,000 in cash on or before May 30, 2022; and an additional \$250,000 in cash on or before May 30, 2023 for an aggregate total consideration of \$425,000;
- Share issuances: Mariner is required to issue 100,000 common shares on May 30, 2021, an additional 300,000 shares on or before May 30, 2022 and an additional 500,000 shares on or before May 30, 2023 for an aggregate total of 900,000 shares;
- Work commitments: Mariner is required to incur \$75,000 in exploration expenditures on or before May 30, 2020; an additional \$150,000 on or before May 30, 2021, an additional \$350,000 on or before May 30, 2022 and an additional \$425,000 on or before May 30, 2023 for an aggregate \$1,000,000 in exploration expenditures; and
- Upon Mariner earning its 75-percent interest in Silver Dollar, the parties will enter into a joint venture.

Beatrice Mineral Property, British Columbia

On August 27, 2017, the Company entered into a purchase and sale agreement with arm's length vendors to acquire 100% of 2 crown grants from private owners. The crown grants are wholly contained within the Silver Dollar Project and forms part of the Silver Dollar Property and therefore are included in the Mariner Agreement. Pursuant to the agreement, the vendors agreed to sell, and the Company agreed to purchase two mineral tenure claims located in the southern portion of the Silver Dollar Project for a cash payment of \$12,000 (paid).

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Kagoot Brook Cobalt Project, New Brunswick

On May 10, 2018, the Company entered into an option agreement to acquire a 75% interest in the Kagoot Brook Cobalt Project (“Kagoot Brook”) with Great Atlantic Resources Corp. (“Great Atlantic”). The agreement to acquire a 75% interest in the Project is subject to the following terms:

- Cash payment of \$25,000 and issuance of 75,000 common shares (paid and issued, valued at \$22,500);
- Issue \$50,000 in shares on May 10, 2019 (issued 197,904 common shares with a value of \$49,476); and
- Explorex will incur total expenditures of \$750,000 (including all underlying payments) over a period of 4 years; of which \$100,000 (incurred) would be a firm commitment on or before May 10, 2019.

Great Atlantic had originally entered into an option agreement with third parties (“Original Optionors”) with respect to Kagoot Brook (“Original Option Agreement”). Upon execution of the option agreement with the Company, Great Atlantic did not have the full 100% interest in Kagoot Brook. To obtain full interest on the Kagoot Brook, Great Atlantic is subject to the following payments pursuant to the Original Option Agreement:

- Payment of \$15,000 by January 23, 2019;
- Payment of \$30,000 by January 23, 2020;
- Payment of \$30,000 by January 23, 2021;
- Payment of \$50,000 by January 23, 2022; and
- Issuance of 150,000 common shares by Great Atlantic.

Pursuant to the option agreement entered into by Kagoot Brook with the Company, the Company is to assist Kagoot Brook in fulfilling the required payments to the Original Option Agreement by making payments to Great Atlantic as follows:

- Payment of \$15,000 by January 23, 2019 (paid);
- Payment of \$30,000 by January 23, 2020 (extended to May 23, 2020);
- Payment of \$30,000 by January 23, 2021; and
- Payment of \$50,000 by January 23, 2022.

The payments above are to be credited against the required expenditures of \$750,000.

On January 7, 2020, the Company entered into an amended option agreement whereby the cash payment of \$30,000 due by January 23, 2020 was extended to be due on May 23, 2020 by paying Great Atlantic \$5,000 (paid).

Upon earning 75% of the project, the parties will enter into a joint venture. The terms will provide for a pro-rata dilution such that should Great Atlantic’s interest drop below 5%, it will revert to a 3% NSR. The Company will retain the right to buyback 2% at \$1,000,000 for each 1%, or portion thereof. Should Great Atlantic seek to sell any portion of the remaining NSR, Explorex will retain a first right of refusal.

During the year ended March 31, 2019, the Company received a New Brunswick Junior Mining Assistance Program (NMJMAP) grant of \$30,000.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Bonanza Mountain Project, British Columbia

The Company acquired a 100% interest in the 803 hectare high-grade gold and copper Bonanza Mountain project ("Bonanza Mountain"), through a combination of staking and a sale and purchase agreement, in the historic Knight's Mining Camp, Grand Forks area, BC.

The Company entered into a sale and purchase agreement to purchase a 100% percent right, title and interest in and to the 485 hectares mineral claim ("Vendor Claim") that constitutes the core of the Bonanza Mountain project.

To earn a 100% interest, the Company is required to pay \$4,000 and issue 300,000 common shares. of Origen Resources Inc.

The agreement is subject to a 1.5% NSR and a buyback of 1% for \$1,000,000.

Buena Vista Hills Cobalt – IOCG Project, Nevada USA

The Company executed the Assignment and Assumption Agreement ("Assignment Agreement") with New Tech Minerals Corp. ("NTM") and has assumed the right to acquire a 100% interest in the Buena Vista Hills Cobalt – Iron Oxide Copper Gold ("IOCG") project ("Buena Vista") in Pershing County, Nevada.

Under the Assignment Agreement, the Company would pay NTM \$10,000 USD (paid) and issue 200,000 shares (issued, valued at \$36,000) upon signing, issue an additional 200,000 shares upon NTM satisfying certain obligations and assume NTM's underlying commitments pursuant to the Mining Lease and Option to Purchase Agreement made between NTM and Zephyr Minerals Inc., ("Zephyr"), dated May 15, 2018 and as amended on October 20, 2018, February 12, 2019 and April 4, 2019. The underlying commitments were to pay \$66,000 USD (paid \$33,000 USD), and issue the equivalent value of 500,000 NTM shares (issued 20,205 shares, valued at \$3,637 which are equivalent to 250,000 NTM shares) and incur exploration expenditures totaling \$300,000 by May 15, 2020 and an additional \$400,000 USD by May 15, 2021. Zephyr was also entitled to a 1% to 4% NSR. The Company has the option to purchase 0.5% to 2% of the NSR for \$500,000 USD.

Upon completion of a feasibility study, NTM would maintains the right to purchase (i.e. buy back) a 20% interest in the Project by paying to the Company an amount equal to 40% of the expenditures incurred by the Company on the Project.

Management has decided to abandon the property and the Company wrote off \$101,678 in capitalized expenditures relating to the property as at December 31, 2019. Subsequent to the period ended December 31, 2019, the Company provided notice of termination of the Assignment Agreement.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Chrysler Property, Ontario

On June 6, 2017, the Company entered into a purchase and sale agreement with Jean Marc Gaudreau and Don Thomas Fudge to purchase a 100% interest in the Mining claims, (the “Chrysler Property”), located in the Larder Lake Mining Division in Ogilvie, Leonard and North William Township, in the Province of Ontario.

To earn a 100% interest, the Company is required to make the following payments:

- \$22,500 cash (paid); and
- issue 200,000 common shares of the Company (issued, valued at \$42,000).

The agreement is subject to a 2% NSR payable to the vendors and a buyback of 1% for \$1,000,000 at any time.

During the year ended March 31, 2019, the Company abandoned the Chrysler Property and wrote off \$89,784 in exploration and evaluation assets.

Cobalt-Paragon Property, Ontario

On October 31, 2017, the Company entered into an option agreement with Canadian Gold Miner Corp. to acquire a 100% interest in certain mining claims (“Cobalt-Paragon”), located in the Larder Lake Mining Division in Tudhope Township, in the Province of Ontario. Pursuant to the option agreement, the Company was required to make cash payments totaling \$125,000 (\$35,000 paid), issue shares totaling 1,700,000 (200,000 issued, valued at \$51,000), and meet exploration expenditure requirements.

During the year ended March 31, 2019 the Company issued 50,000 common shares valued at \$14,000 relating to the obligations of underlying commitments which was included in acquisition costs but would be credited to the exploration expenditures requirements listed above.

On March 11, 2019 a Mutual Release Agreement was entered into by the Company and Canadian Gold Miner Corp in association with the termination of the option agreement. On April 5, 2019 the Company issued 34,500 common shares valued at \$8,970 in relation to the Mutual Release Agreement. As a result, the Company wrote off \$8,970 (March 31, 2019 - \$135,497) of exploration and evaluation assets as at December 31, 2019.

Handlebar Property, British Columbia

The Company staked the 100% owned Handlebar property consisting of two claims. During the year ended March 31, 2019, the Company abandoned the claims and wrote off \$7,003 in exploration and evaluation assets.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Hautalampi Project, Finland

The Company entered into a Letter of Intent (“LOI”) dated March 16, 2018, giving the Company the option to either (i) acquire a 91% interest in the Finnish company that owns the Hautalampi project; or (ii) enter into an earn in arrangement with the shareholders of the Finnish company over a maximum of 3 years to acquire a 91% interest. In either possible scenario, the vendors have the option to retain a 9% carried interest or convert the 9% carried interest to a 1.5% net metals royalty with the Company acquiring the full 100% interest in the Finnish company. During the year ended March 31, 2018, the Company paid an aggregate of USD\$50,000 (non-refundable) to the sellers on signing of the LOI.

The Company amended the LOI on November 4, 2018, the Amended Letter of Intent (“Amended LOI”) provides the Company with a staged option to earn a 100% interest over a 4-year period subject to completion of definitive transaction agreements. Pursuant to the 100% acquisition of Hautalampi, the Company will pay USD\$1,980,003 in cash, USD\$3,050,001 in value of shares of the Company and perform USD \$3,000,000 in exploration expenditures.

In addition, the Company will grant a 1.5% net metal royalty and upon declaring commercial production, will issue additional shares having a value of USD\$1,500,000.

The Company was informed by Ganfeng Lithium Co. Ltd. (“Ganfeng”) that a large investment in support of the Hautalampi acquisition will not be forthcoming at this time due to their internal considerations. Therefore, the Company has informed the Finnish company that owns the Hautalampi project that in the immediate term it does not foresee sourcing adequate funds to move forward in a corporately prudent manner. The Company acknowledges that the Finish company is open to proceed with the advancement of the Hautalampi project on a non-exclusive basis.

Ganfeng Lithium Co. Ltd.

On October 4, 2017, the Company entered into a letter of Letter of Intent (“LOI”) with Ganfeng Lithium Co. Ltd. (“Ganfeng”) for a \$1,000,000 strategic investment in the Company. Ganfeng made an initial investment of \$500,000. Ganfeng subscribed to the July 3, 2018, non-brokered private placement of the Company, for a total of 500,000 units for gross proceeds of \$125,000. After the investments, Ganfeng had a commitment to invest an additional \$375,000 in subsequent financings, within two years from the execution of the initial investment, in accordance with market conditions.

The LOI provided Ganfeng with (i) the right to an Off-Take Agreement on all potential production of cobalt, limestone and lithium; (ii) a Right of First Offer on the joint venture or sale of all cobalt, limestone, and lithium properties that the Company has or acquires in the future; and (iii) the right to nominate one member to the Company’s Board of Directors (“Purchasers Rights”). These Purchaser Rights would be maintained as long as Ganfeng maintains a minimum 15% equity interest in the issued and outstanding shares of the Company.

During the period December 31, 2019, the LOI expired.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. SHARE CAPITAL

a) Authorized share capital

As at December 31, 2019, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

The following share issuances occurred during the period ended December 31, 2019:

- In April 2019, the Company issued 34,500 common shares with a fair value of \$8,970 pursuant to a mutual release agreement associated with the termination of its Cobalt-Paragon property option agreement (Note 5).
- In May 2019, the Company issued 400,000 common shares to a creditor for the settlement of debt in the amount of \$100,000.
- In June 2019, the Company issued 200,000 common shares with a fair value of \$36,000 pursuant to the option agreement for the Buena Vista Project (Note 5). As well, the Company issued 20,205 common shares with a fair value of \$3,637 pursuant to an underlying commitment relating to the Buena Vista Project (Note 5).
- In July 2019, the Company issued 197,904 common shares with a fair value of \$49,476 pursuant to the option agreement for the Kagoot Brook Cobalt Project (Note 5).
- In September 2019, the Company completed a non-brokered private placement of 1,636,825 shares at a price of \$0.20 per share for gross proceeds of \$327,365.
- In November 2019, the Company completed a non-brokered private placement of 361,000 shares at a price of \$0.20 per share for gross proceeds of \$72,200.
- During the period ended December 31, 2019, the Company issued 175,000 common shares upon the exercise of stock options for gross proceeds of \$31,750. As a result of the exercise of options, the fair value of stock options amounting to \$21,674 was reclassified from share-based payment reserve to share capital.
- During the period ended December 31, 2019, the Company issued 186,667 common shares upon the exercise of warrants. Cash proceeds received total \$31,547.

The following share issuances occurred during the year ended March 31, 2019:

- In May 2018, the Company issued 75,000 common shares with a fair value of \$22,500 pursuant to an option agreement for the Kagoot Brook Property.
- In May 2018, the Company issued 50,000 common shares with a fair value of \$14,000 pursuant to an underlying commitment relating to the Cobalt-Paragon Property.
- In September 2018, the Company issued 800,000 common shares with a fair value of \$240,000 pursuant to an underlying commitment relating to the Silver Dollar Property.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. SHARE CAPITAL (cont'd...)

b) Issued share capital (cont'd...)

- In July 2018, the Company completed a non-brokered private placement of 2,235,000 units at a price of \$0.25 per unit for gross proceeds of \$558,750. Each unit consists of one common share and one half of a share purchase warrant, translating into a total of 1,117,500 warrants granted as part of the private placement. Each full warrant is exercisable for one additional common share at a price of \$0.50 per share until July 3, 2020. The Company paid \$4,200 in cash commissions and issued 8,400 finder's warrants valued at \$1,281 exercisable at \$0.50 until July 3, 2019. The fair value per warrant was \$0.15. The fair value of the warrant was estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, a risk-free rate of 1.89%, a forfeiture rate of 0%, and volatility of 120.26%.
- In November 2018, the Company completed the first tranche, a non-brokered private placement of 1,056,500 units at a price of \$0.25 per unit valued at \$264,125 of which \$151,250 related to settlement of debt. Each unit consists of one common share and one half of a share purchase warrant, translating into a total of 528,250 warrants granted as part of the private placement. Each full warrant is exercisable for one additional common share at a price of \$0.50 per share until November 27, 2020. The Company paid \$1,750 in cash commissions and issued 7,000 finder's warrants valued at \$1,097 exercisable at \$0.50 until November 27, 2020. The fair value per warrant was \$0.16. The fair value of the warrant was estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, a risk-free rate of 1.90%, a forfeiture rate of 0%, and volatility of 109.11%.
- In December 2018, the Company completed the second and final tranche, a non-brokered private placement of 335,000 flow-through units ("FT") at a price of \$0.32 per unit for gross proceeds of \$107,200 and 84,000 non-flow through units ("NFT") at a price of \$0.25 per unit for gross proceeds of \$21,000. Each unit consists of one common share and one half of a share purchase warrant, translating into a total of 209,500 warrants granted as part of the private placement. Each full warrant is exercisable for one additional common share at a price of \$0.50 per share until December 19, 2020. The Company recognized a flow-through premium liability of \$23,450, which was accreted to \$22,861 based on exploration expenditures incurred as at March 31, 2019. Pursuant to the flow-through obligation, as at December 31, 2018, the Company is required to incur \$107,200 in eligible exploration expenditures by December 31, 2019. During the period ended December 31, 2019, the Company incurred all required expenditures resulting in the derecognition of flow-through obligation as at December 31, 2019.
- During the year ended March 31, 2019, the Company issued 100,000 common shares upon the exercise of stock options for gross proceeds of \$13,000. As a result of the exercise of options, the fair value of stock options amounting to \$6,100 was reclassified from share-based payment reserve to share capital.
- During the year ended March 31, 2019, the Company issued 956,221 common shares upon the exercise of warrants. Cash proceeds received total \$194,875.
- As at December 31, 2018, the Company had not completely fulfilled its commitment to incur exploration expenditures by December 31, 2018 in relation to flow-through share financings in October 2017. The Company may be required to indemnify flow through individual investors for the amount of increased taxes payable by the flow-through investor as a consequence of the failure of the Company to incur qualifying exploration expenditures previously renounced to the flow through investors.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. SHARE CAPITAL (cont'd...)

b) Issued share capital (cont'd...)

- As at December 31, 2018, the Company estimated that the maximum potential liabilities on unspent amounts was approximately \$31,000 and has recorded a provision in the amount of \$31,000. The Company has assumed the liability and has recorded a provision in the amount of \$31,000 for these potential liabilities in general office expense

c) Share-based payments

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at December 31, 2019, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2018	1,560,000	\$ 0.23
Exercised	(100,000)	0.13
Cancelled	(75,000)	0.17
Balance, March 31, 2019	1,385,000	\$ 0.24
Exercised	(175,000)	0.18
Granted	950,000	0.27
Balance, December 31, 2019	2,160,000	\$ 0.26

During the period ended December 31, 2019, the Company issued 950,000 stock options with an exercise price of \$0.27 per share, at a fair value of \$225,853. The weighted average fair value per option was \$0.24. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 1.3%, a forfeiture rate of 0%, and volatility of 137.79%.

The Company did not issue any stock options during the year ended March 31, 2019.

A summary of the Company's stock options outstanding and exercisable as at December 31, 2019 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Number of Stock Options Exercisable
September 29, 2021	100,000	\$0.13	100,000
November 2, 2022	1,010,000	\$0.25	1,010,000
March 15, 2023	100,000	\$0.29	100,000
June 5, 2024	950,000	\$0.27	950,000
	2,160,000		2,160,000

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. SHARE CAPITAL (cont'd...)

d) Share Purchase Warrants

As at December 31, 2019, the following stock warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2018	3,741,583	0.27
Exercised	(956,221)	0.20
Expired	(2,554,250)	0.30
Granted	1,870,650	0.50
Balance, March 31, 2019	2,101,762	\$ 0.46
Exercised	(186,667)	0.17
Expired	(44,445)	0.17
Balance, December 31, 2019	1,870,650	\$ 0.50

As at December 31, 2019, the following share purchase warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
1,125,900	\$ 0.50	July 3, 2020
535,250	\$ 0.50	November 27, 2020
209,500	\$ 0.50	December 19, 2020
1,870,650		

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2019, the Company's shareholders' equity was \$905,297. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended December 31, 2019.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

8. FINANCIAL INSTRUMENTS AND RISK

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Company's receivables and accounts payable and accrued liabilities approximates their carrying values due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2019, the Company had a cash balance of \$48,078 to settle current liabilities of \$216,149.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

9. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the period ended December 31, 2019, the Company entered into the following transactions with related parties:

- Paid or accrued exploration costs of \$89,835 (2018 - \$84,165) that were capitalized as exploration and evaluation assets to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued management fees of \$67,500 (2018 - \$67,500) to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued management fees of \$32,700 (2018 - \$46,550) to an officer and director of the Company.
- Paid or accrued consulting fees of \$20,000 (2018 - \$24,050) to a director of the Company.
- Paid or accrued rent of \$Nil (2018 - \$17,550) and management fees of \$47,250 (2018 - \$60,750) to a company controlled by a director and Chairman of the Board of the Company.
- Paid or accrued professional fees of \$23,500 (2018 - \$22,500) to the Chief Financial Officer of the Company.
- Paid or accrued professional fees of \$9,000 (2018 - \$Nil) to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued director's fees of \$22,500 (2018 - \$25,000) to a company controlled by a director of the Company.
- During the period ended December 31, 2019, the Company issued 600,000 (2019 - Nil) stock options to the officers and directors of the Company. Upon the issuance, \$142,644 (2018 - \$Nil) in share-based compensation expense was recorded.

As at December 31, 2019, \$108,261 (March 31, 2019 - \$84,037) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

Commitments – Consulting Agreements

On September 1, 2016, the Company renewed the terms of a consulting agreement with a director of the Company for the provision of consulting services at an annual cost of \$90,000. The agreement is for a term of five years. If the Company terminates the agreement without cause during the term the Company is required to pay the balance of the monthly fee payments due for the remainder of the term. Furthermore, should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to thirty-six months of fees and an additional two months of fees for each additional full year of management completed after the first year of engagement, up to a combined maximum of forty-eight months of management fees.

Explorex Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the period ended December 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

9. RELATED PARTY TRANSACTIONS (cont'd)

The Company entered into a settlement agreement and mutual release agreement dated October 1, 2018 relating to the consulting agreement, whereby the Company will receive consulting services at an annual cost of \$63,000 expiring on August 31, 2021. The settlement agreement and mutual release is not considered a termination of the consultant or change of control of the Company.

10. SEGMENTED INFORMATION

As at December 31, 2019, the Company currently operates in one segment being the acquisition and exploration and evaluation of resource assets located in Canada as described in Note 5.