



**Golden Predator Mining Corp.**  
(An Exploration Stage Company)

**Condensed Interim Consolidated Financial Statements**  
(Unaudited – Prepared by Management)

**Three months ended March 31, 2020 and 2019**  
(Expressed in Canadian Dollars)

# **Golden Predator Mining Corp.**

## **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 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 condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

## Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Financial Position

March 31, 2020 and December 31, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Notes	March 31, 2020	December 31, 2019
<b>Assets</b>			
Current assets			
Cash and cash equivalents		\$ 739,206	\$ 1,187,461
Restricted cash	3	80,500	80,500
Marketable securities	4	65,016	54,030
Accounts receivable	5	37,360	174,874
Due from associate	17	107,451	66,306
Prepaid expenses and deposits		238,804	264,426
Inventories	6	286,782	771,522
		<u>1,555,119</u>	<u>2,599,119</u>
Non-Current assets			
Reclamation deposits	7	218,020	673,183
Investment in associate	8	1,850,500	1,859,498
Right-of-use assets	11	446,012	488,226
Equipment	9	2,352,433	2,548,269
Mineral properties	10	4,631,117	4,631,117
		<u>\$ 11,053,201</u>	<u>\$ 12,799,412</u>
<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 2,289,763	\$ 2,346,180
Advance	10	218,020	-
Lease liabilities – current portion	11	74,350	109,438
Flow-through share premium liability	12	385,600	539,840
		<u>2,967,733</u>	<u>2,995,458</u>
Non-current liabilities			
Lease liabilities	11	56,190	71,403
		<u>3,023,923</u>	<u>3,066,861</u>
Shareholders' equity			
Share capital	13	82,540,942	82,540,942
Contributed surplus	13	8,350,927	8,287,102
Accumulated deficit		(82,862,591)	(81,095,493)
		<u>8,029,278</u>	<u>9,732,551</u>
		<u>\$ 11,053,201</u>	<u>\$ 12,799,412</u>

Nature of operations (Note 1), Commitments (Note 19) and Subsequent events (Note 20)

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

Approved by the board of directors:

"William Harris" Director

"Bradley Thiele" Director

## Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three months ended March 31, 2020 and 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Notes	2020	2019
<b>Expenses</b>			
Exploration	14	\$ 1,289,446	\$ 597,580
General and administrative	15	640,216	638,455
Recovery of impairment of mineral properties	10	-	(23,750)
		<u>(1,929,662)</u>	<u>(1,212,285)</u>
<b>Other items</b>			
Sales of gold coins and bars	6	217,957	56,044
Unrealized gain on derivative asset		-	21,000
Interest revenue		2,496	2,513
Cost of gold sales		(212,440)	(59,469)
Gain (loss) on sale of refined gold	6	26,788	(16,543)
Interest expense on lease liabilities	11	(2,720)	(9,983)
Share of loss from investment in associate	8	(8,998)	(9,971)
Foreign exchange loss		(25,745)	(5,656)
Fair value adjustment on marketable securities	4	10,986	(2,965)
Settlement of flow-through share premium liability	12	154,240	-
		<u>\$ (1,767,098)</u>	<u>\$ (1,237,315)</u>
<b>Net loss and comprehensive loss for the period</b>			
<b>Basic and diluted loss per share</b>		<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>		<u>156,883,720</u>	<u>130,795,810</u>

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

## Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Cash Flows

Three months ended March 31, 2020 and 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Notes	2019	2018
<b>Cash provided by (used in):</b>			
<b>Operating activities:</b>			
Net loss		\$ (1,767,098)	\$ (1,237,315)
Adjustments for items not affecting cash:			
Stock-based compensation	13, 17	63,825	185,839
Depreciation	9, 11	238,050	256,731
Fair value adjustment on marketable securities	3	(10,986)	2,965
Unrealized gain on derivative asset		-	(21,000)
Share of loss from investment in associate	8	8,998	9,971
Settlement of flow-through share premium liabilities	12	(154,240)	-
Recovery of impairment of mineral properties	10	-	(23,750)
Net change in non-cash working capital	16	550,314	506,477
		<b>(1,071,137)</b>	<b>(320,082)</b>
<b>Financing activities:</b>			
Options exercised		-	97,750
Repayment of lease obligations net of interest accrual	11	(50,301)	(60,883)
		<b>(50,301)</b>	<b>36,867</b>
<b>Investing activities:</b>			
Redemption of reclamation bond	7	455,163	-
Acquisition of capital assets		-	(47,800)
Acquisition of mineral properties	10	-	(70,000)
Advance received	10	218,020	-
Proceeds from sale of marketable securities		-	75,571
		<b>673,183</b>	<b>(42,229)</b>
<b>Change in cash</b>		<b>(448,255)</b>	<b>(325,444)</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>1,187,461</b>	<b>690,855</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 739,206</b>	<b>\$ 365,411</b>

Supplemental cash flow information (Note 16)

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

## Golden Predator Mining Corp.

Condensed Interim Consolidated Statements of Changes in Equity

Three months ended March 31, 2020 and 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated deficit	Total
<b>Balance, December 31, 2018</b>	<b>130,556,088</b>	<b>\$ 74,878,584</b>	<b>\$ 7,625,025</b>	<b>\$ (71,859,992)</b>	<b>\$ 10,643,617</b>
Stock options exercised	575,500	155,250	(57,500)	-	97,750
Stock-based compensation	-	-	185,839	-	185,839
Net loss and comprehensive loss	-	-	-	(1,237,315)	(1,237,315)
<b>Balance, March 31, 2019</b>	<b>131,131,588</b>	<b>75,033,834</b>	<b>7,753,364</b>	<b>(73,097,307)</b>	<b>9,689,891</b>
Private placements	23,100,000	9,320,000	-	-	9,320,000
Share issuance costs	-	(553,611)	-	-	(553,611)
Finders' warrants issued	-	(70,557)	70,557	-	-
Finders' shares issued	52,632	20,526	-	-	20,526
Stock options exercised	49,500	13,250	(4,000)	-	9,250
Shares issued for royalty repurchase	600,000	117,000	-	-	117,000
Shares issued for property acquisition	950,000	218,500	-	-	218,500
Shares issued for debt settlements	1,000,000	370,000	-	-	370,000
Warrants issued for property acquisition	-	-	54,000	-	54,000
Flow-through share premium liability	-	(1,928,000)	-	-	(1,928,000)
Stock-based compensation	-	-	413,181	-	413,181
Net loss and comprehensive loss	-	-	-	(7,998,186)	(7,998,186)
<b>Balance, December 31, 2019</b>	<b>156,883,720</b>	<b>82,540,942</b>	<b>8,287,102</b>	<b>(81,095,493)</b>	<b>9,732,551</b>
Stock-based compensation	-	-	63,825	-	63,825
Net loss and comprehensive loss	-	-	-	(1,767,098)	(1,767,098)
<b>Balance, March 31, 2020</b>	<b>156,883,720</b>	<b>\$ 82,540,942</b>	<b>\$ 8,350,927</b>	<b>\$ (82,862,591)</b>	<b>\$ 8,029,278</b>

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

# Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

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## 1. NATURE OF OPERATIONS, BASIS OF PREPARATION AND GOING CONCERN

Golden Predator Mining Corp. ("Golden Predator" or the "Company") was incorporated under the Business Corporations Act (Alberta) on April 29, 2008 and continued into British Columbia from the jurisdiction of Alberta on October 21, 2015. The Company's head office is located at Suite 250 – 200 Burrard Street, Vancouver, British Columbia.

Golden Predator is an exploration stage company focused on the acquisition and exploration of gold and base metal properties in the Yukon, Canada. The Company is a publicly traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "GPY" and on the OTCQX market in the United States under the symbol "NTGSF".

The Company has no ongoing source of operating cash flow and operations to date have been funded primarily from the issue of share capital. As of March 31, 2020, the Company had an accumulated deficit of \$82,862,591 (December 31, 2019 - \$81,095,493) and incurred a net loss of \$1,767,098 for the three months then ended (2019 - \$1,237,315). As of March 31, 2020, the Company had a working capital deficiency of \$1,412,614 (December 31, 2019 – \$396,339). On May 20, 2020, the Company completed a short-form prospectus offering and has issued a total of 11,200,000 units at a price of \$0.25 per unit for gross proceeds of \$2.8 million (Note 20).

The Company's continued operations are dependent on its ability to raise additional funding from loans or equity financings or through other arrangements. There is no assurance that future financing activities will be successful. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. These conditions give rise to a material uncertainty, which casts significant doubt on the Company's ability to continue as a going concern and, therefore, its ability to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Golden Predator Exploration Ltd. and Yukon Mint Corporation.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is achieved when the Company is exposed to or has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. All intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full.

Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

## **Golden Predator Mining Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

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### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **b. Basis of presentation and measurement**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed. Therefore, these condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2019.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value, and are presented in Canadian dollars, which is the Company's functional currency as well as the functional currency of the Company's subsidiaries. These condensed interim consolidated financial statements were authorized for issue by the board of directors on May 29, 2020.

#### **c. Significant accounting policies**

Except as set out below, these condensed interim consolidated financial statements follow the same accounting policies and methods of computation as the most recent audited annual consolidated financial statements of the Company for the year ended December 31, 2019. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements.

#### **d. Significant accounting judgments, estimates and assumptions**

The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the three months ended March 31, 2020. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the current quarter, there was a global outbreak of COVID-19, which had a significant impact on businesses worldwide, resulting in a dramatic economic slowdown. On March 11, 2020, the Company announced a decision to temporarily suspend all activities on its project sites and implement a work from home policy due to the significant social and economic disruption that has emerged as a result of the pandemic and the Company's commitment to ensure employee safety, support public health efforts to limit transmission of COVID-19, and exercise prudent financial discipline.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, social distancing, government response actions, business closures or disruptions that are currently in place. There can be no assurance that the Company will not be further impacted by adverse consequences of the COVID-19 pandemic, which may affect resource and share prices, financial liquidity, access to supplies and contractors, and the Company's ability to retain its staff.



## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

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### 3. RESTRICTED CASH

As at March 31, 2020, restricted cash includes a Guaranteed Investment Certificate ("GIC") in the amount of \$80,500 (December 31, 2019 - \$80,500) held on deposit with a major Canadian financial institution as security for the Company's corporate credit cards.

### 4. MARKETABLE SECURITIES

Marketable securities consist of common shares of publicly traded companies.

<b>Balance, December 31, 2018</b>	<b>\$</b>	<b>215,120</b>
Sale of marketable securities		(245,876)
Change in fair value of marketable securities		84,786
<b>Balance, December 31, 2019</b>		<b>54,030</b>
Change in fair value of marketable securities		10,986
<b>Balance, March 31, 2020</b>	<b>\$</b>	<b>65,016</b>

### 5. ACCOUNTS RECEIVABLE

As at March 31, 2020, accounts receivable consist of trade receivables in relation to the sale of gold coins of \$6,628 (December 31, 2019 - \$6,628), goods and services tax receivable of \$29,828 (December 31, 2019 - \$161,174) and accrued interest on GIC of \$904 (December 31, 2019 - \$7,072).

### 6. INVENTORIES

As at March 31, 2020, inventories consist of 85 (December 31, 2019 - 282) ounces of gold bullions refined from the bulk samples valued at \$169,246 (December 31, 2019 - \$557,593), one (December 31, 2019 - 12) ounce of gold bars valued at \$1,686 (December 31, 2019 - \$23,737) and 50 (2018 - 90) ounces of gold coins valued at \$115,850 (December 31, 2019 - \$190,192).

### 7. RECLAMATION DEPOSITS

As at March 31, 2020, the Company had \$218,020 (December 31, 2019 - \$673,183) on deposit with a major Canadian financial institution as security for future reclamation costs in respect to the 3 Aces property (Note 10).

During the three months ended March 31, 2020, the Company received a refund of \$455,163 (2019 - \$Nil) plus accumulated interest of \$4,240 (2019 - \$Nil) from the redemption of its Brewery Creek reclamation deposit, which was replaced with a surety bond of \$25,000.

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

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### 8. INVESTMENT IN ASSOCIATE

Investment in associate relates to shares of Taku Gold Corp. ("Taku"). As at March 31, 2020, the Company held 14,500,000 shares, or 32.21% (December 31, 2019 – 32.21%) of the issued and outstanding shares of Taku. The Company has determined that it exercises significant influence over Taku and accounts for this investment using the equity method of accounting.

Taku is a junior mineral exploration company focused on exploration and resource development in Yukon, Canada. The fair market value of 14,500,000 shares of Taku at March 31, 2020 was \$516,200 (December 31, 2019 - \$870,000). The Company is not exposed to any additional losses beyond its initial investment in Taku. No dividends or cash distributions have been received from Taku.

During the three months ended March 31, 2020, the Company recorded its proportionate share of Taku's net loss of \$8,998 (2019 – \$9,971) within equity loss of associate on the consolidated statements of operations and comprehensive loss.

The following table is a reconciliation of the carrying value of the investment in Taku:

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<b>Balance, December 31, 2018</b>	<b>\$ 1,648,343</b>
Adjustments to carrying value:	
Proportionate share of net loss (year ended December 31, 2019)	(95,721)
Adjustment for share-based compensation	7,149
Adjustment for change in equity position	(9,023)
Loss from investment in associate	(97,595)
Add shares received under Sonora Gulch option agreement (Note 10)	308,750
<b>Balance, December 31, 2019</b>	<b>1,859,498</b>
Adjustments to carrying value:	
Proportionate share of net loss (three months ended March 31, 2020)	(9,767)
Adjustment for share-based compensation	769
Loss from investment in associate	(8,998)
<b>Balance, March 31, 2020</b>	<b>\$ 1,850,500</b>

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## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

### 9. EQUIPMENT

	Computer and software	Field equipment	Camp and camp equipment	Vehicles	Leasehold	Finance Lease	Mill	Bridge	Total
<b>Cost</b>									
Balance, December 31, 2018	\$ 11,143	\$ 1,501,710	\$ 1,302,880	\$ 439,780	\$ 13,012	\$ 482,350	\$ 1,145,097	\$ 477,610	\$ 5,373,582
IFRS 16 transition (Note 11)	-	-	-	-	-	(482,350)	-	-	(482,350)
Adjusted balance, January 1, 2019	11,143	1,501,710	1,302,880	439,780	13,012	-	1,145,097	477,610	4,891,232
Additions	-	-	12,000	-	-	-	321,844	-	333,844
Balance, December 31, 2019 and March 31, 2020	<b>\$ 11,143</b>	<b>\$ 1,501,710</b>	<b>\$ 1,314,880</b>	<b>\$ 439,780</b>	<b>\$ 13,012</b>	<b>\$ -</b>	<b>\$ 1,466,941</b>	<b>\$ 477,610</b>	<b>\$ 5,225,076</b>
<b>Accumulated Depreciation</b>									
Balance, December 31, 2018	\$ 4,513	\$ 740,044	\$ 551,963	\$ 286,177	\$ 6,506	\$ 86,350	\$ 200,733	\$ 47,763	\$ 1,924,049
IFRS 16 transition (Note 11)	-	-	-	-	-	(86,350)	-	-	(86,350)
Depreciation	1,989	259,106	187,926	105,438	4,338	-	261,206	19,105	839,108
Balance, December 31, 2019	6,502	999,150	739,889	391,615	10,844	-	461,939	66,868	2,676,807
Depreciation	348	56,163	47,282	14,450	2,168	-	70,649	4,776	195,836
Balance, March 31, 2020	<b>\$ 6,850</b>	<b>\$ 1,055,313</b>	<b>\$ 787,171</b>	<b>\$ 406,065</b>	<b>\$ 13,012</b>	<b>\$ -</b>	<b>\$ 532,588</b>	<b>\$ 71,644</b>	<b>\$ 2,872,643</b>
<b>Net book value</b>									
Balance, December 31, 2018	\$ 6,630	\$ 761,666	\$ 750,917	\$ 153,603	\$ 6,506	\$ 396,000	\$ 944,364	\$ 429,847	\$ 3,449,533
Balance, December 31, 2019	\$ 4,641	\$ 502,560	\$ 574,991	\$ 48,165	\$ 2,168	\$ -	\$ 1,005,002	\$ 410,742	\$ 2,548,269
<b>Balance, March 31, 2020</b>	<b>\$ 4,293</b>	<b>\$ 446,397</b>	<b>\$ 527,709</b>	<b>\$ 33,715</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 934,353</b>	<b>\$ 405,966</b>	<b>\$ 2,352,433</b>

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

### 10. MINERAL PROPERTIES

	Brewery Creek	Marg	Grew Creek	3 Aces(*)	Sprogge(*)	Reef(*)	Sonora Gulch	Other	Total
Balance, December 31, 2018	\$ 1,340,292	\$ 2,265	\$ 117,500	\$ 1,299,804	\$ 432,500	\$ 893,864	\$ 285,000	\$ 4,830	\$ 4,376,055
Acquisition costs	122,562	-	-	-	-	-	-	-	122,562
Option payments - cash	-	-	50,000	45,000	-	50,000	-	-	145,000
Option payments – shares	-	-	-	-	-	218,500	-	-	218,500
Option payments – warrants	-	-	-	-	-	54,000	-	-	54,000
Property payments received	-	-	-	-	-	-	(308,750)	-	(308,750)
Recovery of impairment	-	-	-	-	-	-	23,750	-	23,750
Balance, December 31, 2019	1,462,854	2,265	167,500	1,344,804	432,500	1,216,364	-	4,830	4,631,117
Option payments – cash	-	-	-	45,000	-	-	-	-	45,000
Recovery of option payments	-	-	-	(45,000)	-	-	-	-	(45,000)
<b>Balance, March 31, 2020</b>	<b>\$ 1,462,854</b>	<b>\$ 2,265</b>	<b>\$ 167,500</b>	<b>\$ 1,344,804</b>	<b>\$ 432,500</b>	<b>\$ 1,216,364</b>	<b>\$ -</b>	<b>\$ 4,830</b>	<b>\$ 4,631,117</b>

(\*) Subsequent to March 31, 2020, the Company sold its mineral property holdings in the 3 Aces, Sprogge and Reef properties (Note 20).

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

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### 10. MINERAL PROPERTIES (CONT'D)

#### Brewery Creek, Yukon

The Company owns 100% of the Brewery Creek Project, subject to the following royalties:

- 2% NSR royalty to Alexco Resources Corp. on the first 600,000 ounces of gold produced, increasing to 2.75% thereafter. The Company can purchase 0.625% of the increased NSR royalty for \$2,000,000;
- 5% net profits interest ("NPI") over a portion of the property; and
- 2.5% NPI to the Tr'ondek Hwech'in First Nation ("THFN") on areas outside the existing mining permits (part of an Amended and Restated Socio and Economic Accord between the Company and THFN).

During the year ended December 31, 2019, the Company eliminated a royalty held by Franco Nevada Corporation by issuing them 600,000 common shares valued at \$117,000 and paid \$5,562 in other acquisition related costs.

During the year ended December 31, 2019, the Company received formal notification from the Yukon Government confirming the validity of its existing Quartz Mining License and Water License, which allows the Company to immediately commence work to restart the Brewery Creek Mine.

An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation ("THFN") in 2012. As consideration for entering into the agreement, the Company paid \$400,000 worth of common shares to the THFN in prior periods. Upon receipt of all required permits in respect of the portion of the mine site outside the existing permitted area, the Company will pay an additional sum of \$300,000, payable in shares at a price equal to a 5-day volume weighted average price. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to \$60,000 per annum while the mine is operating. The Company has also agreed to pay the THFN a 2.5% NPI on revenue from the mine site, excluding the existing permitted area.

#### Marg, Yukon

The Company owns a 100% interest in the Marg property, subject to a 1% NSR royalty to Till Capital.

#### Grew Creek, Yukon

The Company owns 100% of the Grew Creek property, subject to a 4% NSR royalty. An annual \$25,000 advance royalty is payable on the property. In October 2016, the Company entered into a Property Option Agreement with Quantum Cobalt Corp. ("Quantum" – formerly Bravura Ventures Corp.) whereby Quantum could earn up to a 90% interest in the Grew Creek property. Quantum did not make the cash and share payments scheduled for 2018, resulting in the Property Option Agreement being terminated and control of the property returning to the Company during the year ended December 31, 2019.

#### 3 Aces, Yukon

Subsequent to March 31, 2020, the Company closed the sale of its 100% interest in the 3 Aces gold project ("Property Purchase Agreement") with Seabridge Gold Inc. ("Seabridge"), which includes the 3 Aces, Sprogge and Reef properties, subject to underlying royalties.

The sale consideration includes 300,000 Seabridge common shares, contingent future cash payments totaling \$2.25 million and a 0.5% net smelter return royalty on the entire 3 Aces Project.

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

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### 10. MINERAL PROPERTIES (CONT'D)

#### 3 Aces, Yukon (cont'd)

At March 31, 2020, the Company owned 100% of the 3 Aces property, subject to the Net Smelter Returns ("NSR") royalties described below.

An annual advance royalty payment of \$45,000 is payable until the commencement of commercial production. The vendor will retain a 2% NSR on the property on all production from the claims. If a resource estimate in excess of 500,000 ounces at a grade greater than 5 grams per tonne is defined on the property (in compliance with the Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects), the vendor's NSR royalty will increase to 2.5% and an additional payment of \$300,000 will be made to the royalty holder. If a National Instrument 43-101 compliant resource estimate in excess of 1,000,000 ounces at a grade greater than 5 grams per tonne gold is defined on the property, the vendor's NSR royalty will increase to 3% and the vendor will receive an additional bonus payment of \$300,000 in cash or equivalent Golden Predator shares. Each 1% of the NSR can be purchased by the Company for \$2,000,000. The property is also subject to a 1.0% NSR to Till Capital.

#### Sprogge, Yukon

At March 31, 2020, the Company owned 100% of the Sprogge property subject to NSR royalties totaling 2.32%. The Company may repurchase up to 0.85% of the royalties for \$1,250,000. As noted above, the Sprogge property was included in the Property Purchase Agreement with Seabridge that closed subsequent to March 31, 2020.

#### Reef, Yukon

At March 31, 2020, the Company owned 100% of the Reef property subject to a 2% NSR royalty on certain of the claims and a 1% NSR royalty on the remaining claims. The Company may repurchase 25% of the NSR royalty, for \$1,000,000, and a further 25% for \$1,500,000. As noted above, the Reef property was included in the Property Purchase Agreement with Seabridge that closed subsequent to March 31, 2020.

Pursuant to the terms of the Property Purchase Agreement, the Company received a cash advance of \$263,020 (2019 - \$Nil), which includes a reimbursement of the annual advance royalty payment of \$45,000 paid by the Company in 2020 and the \$218,020 advance against the 3 Aces reclamation deposit (Note 7).

After receiving applicable regulatory approvals and closing the transaction on May 22, 2020, the Company filed a request with the Yukon Mining Recorder to transfer the registered title to the 3 Aces claims and the reclamation deposit into the name of Seabridge.

The Company will retain the 0.5% NSR on the entire 3 Aces project.

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian dollars)

### 11. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

Lease liabilities and Right-of-use assets were recognized on the adoption of IFRS 16 on January 1, 2019. Lease liabilities include contracts for leasing office space in Vancouver and Watson Lake and for a trailer camp.

<b>Adjusted opening balance at January 1, 2019</b>	<b>\$ 436,455</b>
Principal payments	(285,172)
Accretion	29,558
<b>Balance, December 31, 2019</b>	<b>180,841</b>
Principal payments	(53,021)
Accretion	2,720
<b>Balance, March 31, 2020</b>	<b>\$ 130,540</b>

The following table sets out the future minimum lease payments as well as their present value as at March 31, 2020:

<b>Future minimum lease payments</b>	
Within 1 year	\$ 81,222
Within 2-5 years	56,942
	138,164
Effect of discounting	(7,624)
Present value of minimum lease payments	130,540
Less current portion	(74,350)
<b>Non-current portion of lease liabilities</b>	<b>\$ 56,190</b>

The information on the right-of-use assets by type of the Company's leasing activities is as follows:

	Office space, Vancouver	Office space, Watson Lake	Trailer camp	Total
Cost:				
Net capital leases, December 31, 2018	\$ -	\$ -	\$ 482,350	\$ 482,350
Lease liabilities (IFRS 16)	211,025	16,269	-	227,294
Prepaid expenses (IFRS 16)	41,300	6,500	-	47,800
Balance, December 31, 2019 and March 31, 2020	252,325	22,769	482,350	<b>757,444</b>
Accumulated depreciation:				
Opening balance, January 1, 2019	\$ -	\$ -	\$ 86,350	\$ 86,350
Depreciation	73,850	21,018	88,000	182,868
Balance, December 31, 2019	73,850	21,018	174,350	269,218
Depreciation	18,463	1,751	22,000	42,214
Balance, March 31, 2020	92,313	22,769	196,350	<b>311,432</b>
Net book value:				
Adjusted Balance, January 1, 2019	\$ 252,325	\$ 22,769	\$ 396,000	\$ 671,094
Balance, December 31, 2019	\$ 178,475	\$ 1,751	\$ 308,000	\$ 488,226
<b>Balance, March 31, 2020</b>	<b>\$ 160,012</b>	<b>\$ -</b>	<b>\$ 286,000</b>	<b>\$ 446,012</b>

## Golden Predator Mining Corp.

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### 12. FLOW-THROUGH SHARE PREMIUM LIABILITY

<b>Balance, December 31, 2018</b>	<b>\$ -</b>
Liability incurred on flow-through shares issued	1,928,000
Settlement of flow-through share liability on expenditures incurred	(1,388,160)
<b>Balance, December 31, 2019</b>	<b>539,840</b>
Settlement of flow-through share liability on expenditures incurred	(154,240)
<b>Balance, March 31, 2020</b>	<b>\$ 385,600</b>

### 13. SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Class A Common Shares (a "Common Share") without par value, an unlimited number of Class B Common Shares without par value, an unlimited number of Class C Redeemable Preferred Shares without par value, and an unlimited number of Class D Redeemable Preferred Shares without par value.

As at March 31, 2020, there were 156,883,720 (December 31, 2019 - 156,883,720) Class A Common Shares, no Class B Common Shares, no Class C Redeemable Preferred Shares, and no Class D Redeemable Preferred Shares issued and outstanding.

#### a) Capital Stock

There were no share issuances during the three months ended March 31, 2020.

In July 2019, the Company completed a private placement and issued 11,600,000 charity flow-through common shares at a price of \$0.45 per share, 7,000,000 traditional flow-through common shares at a price of \$0.38 per share, and 4,500,000 non-flow-through common shares at a price of \$0.32 per share for aggregate gross proceeds of \$9.32 million. The Company paid cash commissions of \$470,951 and \$62,134 in other share issue costs. In addition, 52,632 shares with a value of \$20,526 were issued for finders' fees. Finders were issued a total of 427,140 share purchase warrants with a two-year term. 102,840 warrants have an exercise price of \$0.38 and 324,300 warrants have an exercise price of \$0.32. The finders' warrants were valued at \$70,557.

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

- Issued 625,000 Class A common shares for proceeds of \$107,000 related to the exercise of stock options;
- Issued 950,000 Class A common shares valued at \$218,500 related to the purchase of the Reef Property (Note 10);
- Issued 600,000 Class A common shares valued at \$117,000 to eliminate an outstanding royalty on the Brewery Creek Property (Note 10); and
- Issued 1,000,000 Class A common shares as consideration for \$200,000 in outstanding accounts payable. A loss on debt settlement of \$170,000 was recorded as the Company's share price appreciated significantly between the time the deal was signed and the shares were issued.



## Golden Predator Mining Corp.

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### 13. SHARE CAPITAL (CONT'D)

#### b) Stock Options

The Company has a stock option plan under which directors, officers, employees, management and consultants of the Company are eligible to receive stock options. The maximum number of common shares issuable pursuant to the exercise of outstanding options granted under the plan is 10% of the issued shares of the Company at the time of granting the options. The maximum number of stock options granted to any one optionee in a 12-month period may not exceed 5% of the outstanding common shares of the Company. Options granted under the plan may not exceed a term of ten years and vest at terms determined by the directors at the time of grant. The exercise price, expiry date, and vesting term of each option is determined by the directors at the time of grant, provided that the exercise price may not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

Stock options outstanding are as follows:

Expiry Date	March 31, 2020		December 31, 2019	
	Outstanding Options	Exercise Price (\$)	Outstanding Options	Exercise Price (\$)
January 20, 2020	-	-	85,000	0.99
March 21, 2020	-	-	385,000	1.60
March 21, 2020	-	-	30,000	1.41
May 4, 2020 *	25,000	1.27	25,000	1.27
June 15, 2020	2,500	0.37	-	-
June 20, 2020	11,250	0.37	-	-
August 29, 2020	50,000	1.60	50,000	1.60
August 29, 2020	60,000	0.75	60,000	0.75
August 29, 2020	75,000	0.42	75,000	0.42
August 29, 2020	100,000	0.37	100,000	0.37
September 13, 2020	15,000	0.90	15,000	0.90
September 30, 2020	700,000	0.91	700,000	0.91
October 20, 2020	35,000	0.85	35,000	0.85
December 4, 2020	40,000	0.64	40,000	0.64
February 26, 2021	680,000	0.75	680,000	0.75
April 21, 2021	120,000	0.49	120,000	0.49
June 20, 2021	830,000	0.42	830,000	0.42
July 17, 2021	60,000	0.42	60,000	0.42
July 25, 2021	-	-	30,000	0.42
September 7, 2021	1,250,000	0.42	1,480,000	0.42
February 20, 2022	100,000	0.26	100,000	0.26
June 1, 2022	60,000	0.20	60,000	0.20
June 17, 2022	-	-	150,000	0.19
July 11, 2022	70,000	0.36	70,000	0.36
August 15, 2022	1,345,000	0.37	1,530,000	0.37
September 12, 2022	250,000	0.37	250,000	0.37
December 19, 2022	150,000	0.26	-	-
January 8, 2023	70,000	0.37	-	-
February 20, 2024	500,000	0.26	500,000	0.26
	<b>6,598,750</b>	<b>0.49</b>	<b>7,460,000</b>	<b>0.55</b>

\* Expired unexercised subsequent to March 31, 2020.

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

### 13. SHARE CAPITAL (CONT'D)

#### b) Stock Options (cont'd)

Stock option transactions are summarized as follows:

	Outstanding Options	Weighted Average Exercise Price
Balance, December 31, 2018	<b>7,902,500</b>	<b>\$ 0.64</b>
Granted	2,820,000	0.33
Exercised	(625,000)	0.17
Forfeited	(2,637,500)	0.66
Balance, December 31, 2019	<b>7,460,000</b>	<b>\$ 0.55</b>
Granted	275,000	0.31
Forfeited	(1,136,250)	0.85
Balance, March 31, 2020	<b>6,598,750</b>	<b>\$ 0.55</b>
Exercisable, March 31, 2020	<b>5,410,938</b>	<b>\$ 0.63</b>

During the three months ended March 31, 2020, the Company recognized stock-based compensation related to options of \$63,825 (2019 - \$183,539) in general and administrative expenses. The weighted average fair value of options granted during the three months ended March 31, 2020 was \$0.14 (2019 - \$0.20) per share.

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

	Period ended March 31, 2020	Year ended December 31, 2019
Risk-free interest rate	1.68%	1.35%
Expected life of option	3 years	3.4 years
Expected dividend yield	0%	0%
Expected stock price volatility	73.21%	78.28%

#### b) Warrants

Share purchase warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted Average Exercise Price (\$)
Balance, December 31, 2018	<b>5,818,369</b>	<b>1.05</b>
Granted	877,140	0.37
Expired	(251,562)	1.60
Balance, December 31, 2019	<b>6,443,947</b>	<b>0.93</b>
Expired	(5,166,807)	1.00
Balance, March 31, 2020	<b>1,277,140</b>	<b>0.64</b>

There were no share purchase warrants issued during the three months ended March 31, 2020.

## Golden Predator Mining Corp.

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(Unaudited - Expressed in Canadian dollars)

### 13. SHARE CAPITAL (CONT'D)

#### c) Warrants (cont'd)

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

- 102,840 finders' warrants with a fair value of \$0.15 per warrant and 324,300 finders' warrants with a fair value of \$0.17 per warrant in connection with the financing; and
- 450,000 warrants with a fair value of \$54,000 related to the purchase of the Reef Property (Note 10).

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

	Period ended March 31, 2020	Year ended December 31, 2019
Risk-free interest rate	N/A	1.51%
Expected life of option	N/A	3.0 years
Expected dividend yield	N/A	0%
Expected stock price volatility	N/A	79.63%

Share purchase warrants outstanding are as follows:

Expiry Date	March 31, 2020		December 31, 2019	
	Outstanding Warrants	Exercise Price (\$)	Outstanding Warrants	Exercise Price (\$)
February 13, 2020	-	-	4,606,189	1.00
February 13, 2020	-	-	460,618	0.91
March 23, 2020	-	-	100,000	1.59
December 21, 2020	300,000	1.00	300,000	1.00
February 2, 2021	100,000	2.00	100,000	2.00
July 24, 2021	324,300	0.32	324,300	0.32
July 24, 2021	102,840	0.38	102,840	0.38
April 1, 2023	450,000	0.40	450,000	0.40
	<b>1,277,140</b>	<b>0.64</b>	<b>6,443,947</b>	<b>0.93</b>

### 14. EXPLORATION EXPENSES

	Three months ended March 31, 2020	Three months ended March 31, 2019
Personnel	\$ 317,722	\$ 252,881
Drilling	-	(18,875)
Logistics and support	86,290	73,297
Field and general	15,984	21,335
Depreciation	219,239	232,517
Helicopter and airplane	6,494	4,360
Community and environment	65,358	24,784
Geochemistry and metallurgy	134,376	9,272
Engineering and tech studies	443,983	-
Cost recoveries	-	(1,991)
	<b>\$ 1,289,446</b>	<b>\$ 597,580</b>

## Golden Predator Mining Corp.

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Three months ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

### 15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31, 2020	Three months ended March 31, 2019
Office and insurance	\$ 337,027	\$ 261,301
Share-based compensation	63,825	185,839
Travel, shareholder relations and promotion	126,617	110,996
Professional fees	65,895	33,273
Regulatory & compliance	13,541	18,699
Consulting fees	14,500	4,133
Depreciation	18,811	24,214
	<b>\$ 640,216</b>	<b>\$ 638,455</b>

### 16. SUPPLEMENTAL CASH FLOW INFORMATION

	Notes	Three months ended March 31, 2020	Three months ended March 31, 2019
<b>Net change in non-cash working capital</b>			
Accounts receivable	4	\$ 137,514	\$ 285,944
Prepaid expenses and deposits		25,622	24,995
Accounts payable and accrued liabilities		(56,417)	(505,179)
Inventories	6	484,740	699,247
Due from associate	17	(41,145)	1,470
		<b>\$ 550,314</b>	<b>\$ 506,477</b>
<b>Non-cash financing and investing activities</b>			
Exercise of stock options		\$ -	\$ 57,500
Shares received for mineral properties		-	308,750
		<b>\$ -</b>	<b>\$ 366,250</b>

### 17. RELATED PARTY TRANSACTIONS

#### a) Key management compensation

During the three-month period ended March 31, 2020 and 2019, the compensation paid or payable to key management (Officers and Directors) for management services provided was as follows:

	2020	2019
Salary and management fees	\$ 219,215	\$ 112,334
Stock-based compensation	44,578	94,323
	<b>\$ 263,793</b>	<b>\$ 206,657</b>

## Golden Predator Mining Corp.

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(Unaudited - Expressed in Canadian dollars)

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### 17. RELATED PARTY TRANSACTIONS (CONT'D)

#### b) Other transactions

During the three-month period ended March 31, 2020, the Company recovered \$16,900 (2019 - \$21,000) from Taku, an associated company, for Taku's share of rent and office salaries.

During the three-month period ended March 31, 2020, the Company sold \$106,426 (2019 - \$8,575) gold bars and coins to an officer of the Company.

#### c) Balances outstanding

At March 31, 2020, there was \$49,205 (December 31, 2019 - \$25,994) due to a director and officers of the Company for deferred salaries and management consulting. The amounts were included in accounts payable and accrued liabilities at March 31, 2020 and partially paid subsequent to the period end.

There was \$107,451 due from Taku in accounts receivable at March 31, 2020 (December 31, 2019 - \$66,306).

### 18. FINANCIAL INSTRUMENTS

Financial instruments include cash and any contract that give rise to a financial asset to one party and a financial liability or equity instrument to another party. The Company's cash and cash equivalents, accounts receivable, due from associate, and reclamation bonds are categorized as financial assets measured at amortized cost. Marketable securities are categorized as assets measured at fair value through profit and loss. The Company's accounts payable and accrued liabilities, advance from Seabridge and lease liabilities are categorized as financial liabilities measured at amortized cost.

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.

As at March 31, 2020 and December 31, 2019, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy, and the derivative asset is based on level 3 inputs of the fair value hierarchy. Marketable securities values are based on the closing trading price of the shares on public stock exchanges at the period-end date.

#### Financial Risks Management

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments. The carrying amounts of the reclamation bonds and lease liabilities are considered to be reasonable approximations of their fair values due to their contractual interest rates being comparable to current market interest rates.

## Golden Predator Mining Corp.

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### 18. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial Risks Management (cont'd)

##### *Market risk*

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

##### *Foreign exchange risk*

The Company operates mainly in Canada, but a portion of the Company's financial assets and liabilities are denominated in US dollars. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

##### *Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivables and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash held in bank accounts with a major Canadian financial institution. Accounts receivable consist primarily of trade receivables from the sale of gold bars and coins and of goods and services tax receivable from the Canadian government. Reclamation bonds consist of guaranteed investment certificates with a major Canadian financial institution. Management believes the risk of credit loss to be minimal.

##### *Interest rate risk*

Interest rate risk mainly arises from the Company's cash and cash equivalents and reclamation bonds, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are not significant. The Company's borrowings are at fixed rates.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable. As at March 31, 2020, the Company had a working capital deficiency of \$1,412,614 (December 31, 2019 – \$396,339).

The following tables detail the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts on the Statements of Financial Position.

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### 18. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial Risks Management (cont'd)

As at March 31, 2020	Up to 1 year	1-5 years	Total
Accounts payable and accrued liabilities	\$ 2,289,763	\$ -	\$ 2,289,763
Advance from Seabridge	218,020	-	218,020
Finance lease obligation	74,350	56,190	130,540
	<b>\$ 2,582,133</b>	<b>\$ 56,190</b>	<b>\$ 2,638,323</b>

As at December 31, 2019	Up to 1 year	1-5 years	Total
Accounts payable and accrued liabilities	\$ 2,346,180	\$ -	\$ 2,346,180
Finance lease obligation	109,438	71,403	180,841
	<b>\$ 2,455,618</b>	<b>\$ 71,403</b>	<b>\$ 2,527,021</b>

#### Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is the risk of loss associated with movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is the risk of loss associated with commodity price movements.

The Company closely monitors individual equity movements, the stock markets and commodity prices to determine appropriate actions to be taken by the Company. The Company has investments in certain publicly traded companies (marketable securities), and there can be no assurance that the Company can exit these positions if required, so there is a risk that proceeds may not approximate the carrying value of these investments. A 10% fluctuation in the price of the Company's marketable securities would increase or decrease loss and comprehensive loss by \$6,502 at March 30, 2020 (December 31, 2019 - \$5,403). A 10% fluctuation in the price of gold could increase or decrease loss and comprehensive loss by \$28,678 at March 31, 2020 (December 31, 2019 - \$77,152).

#### Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents, short term investments and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the three months ended March 31, 2020.

## Golden Predator Mining Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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### 19. COMMITMENTS

At March 31, 2020, the Company's non-lease commitments include:

- a) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% for "on the ground" exploration expenditures. The accrued community fee owed to the Kaska Nation of \$341,455 from prior years will remain the responsibility of the Company.
- b) An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation in September 2012. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to \$60,000 per annum while the mine is operating.

### 20. SUBSEQUENT EVENTS

Subsequent to the three months ended March 31, 2020:

- a) 500,000 stock options were granted to directors and officer of the Company at an exercise price of \$0.25 per common share, exercisable for a period of 3 years until April 1, 2023. These options will vest over a 24 month period, with 25% of the options vesting in six months and an additional 25% vesting every six month thereafter;
- b) In May 2020, the Company completed a short-form prospectus offering ("Offering") and has issued a total of 11,200,000 units at a price of \$0.25 per unit for gross proceeds of \$2.8 million. The offering was fully subscribed. Each unit consists of one Class A common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at \$0.35 per common share for a period of three years from closing, subject to acceleration of the expiry date to the 30th calendar day following notice to holders in the event that the volume-weighted average price of the company's shares is equal to or higher than \$0.75 for a period of five consecutive trading days on the TSXV or other Canadian stock exchange, on which the Company's shares are principally traded. The Offering was completed pursuant to an agency agreement dated May 13, 2020, between Clarus Securities Inc. as agent and the Company. The Company paid the agent a cash fee equal to 7% of the gross proceeds of the offering.
- c) the Company has closed the sale of its 100% interest in the 3 Aces gold project to Seabridge (Note 10) for 300,000 Seabridge common shares, contingent future cash payments totaling \$2.25 million and a continuing royalty participation in the project by the Company.