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**BWR EXPLORATION INC.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED FEBRUARY 29, 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed consolidated interim financial statements of BWR Exploration Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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**BWR Exploration Inc.****Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

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	As at February 29, 2020	As at November 30, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 271,057	\$ 138,094
Sales tax receivable	11,419	9,237
<b>Total assets</b>	<b>\$ 282,476</b>	<b>\$ 147,331</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 9)	\$ 350,998	\$ 321,165
Flow-through share liability (note 4(b))	120,800	-
<b>Total liabilities</b>	<b>471,798</b>	<b>321,165</b>
<b>Shareholders' deficiency</b>		
Share capital (note 4)	3,350,077	3,177,777
Reserves (notes 5 and 6)	348,632	497,242
Deficit	(3,888,031)	(3,848,853)
<b>Total shareholders' deficiency</b>	<b>(189,322)</b>	<b>(173,834)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 282,476</b>	<b>\$ 147,331</b>

Nature of operations and going concern (note 1)

Subsequent events (note 11)

**Approved on behalf of the Board:**"Neil Novak", Director"George Duguay", Director

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

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**BWR Exploration Inc.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Three months ended February 29, 2020</b>	<b>Three months ended February 28, 2019</b>
<b>Operating expenses</b>		
Exploration and evaluation expenditures (note 3)	\$ 112,651	\$ 49,813
General and administrative (note 8)	80,634	59,963
Loss from operating expenses	(193,285)	(109,776)
Settlement of flow-through share premium	-	1,787
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (193,285)</b>	<b>\$ (107,989)</b>
<b>Basic and diluted net loss per share (note 7)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>78,174,988</b>	<b>67,023,350</b>

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

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**BWR Exploration Inc.****Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

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	Three months ended February 29, 2020	Three months ended February 28, 2019
<b>Operating activities</b>		
Net loss for the period	\$ (193,285)	\$ (107,989)
Adjustments for:		
Share-based payments	4,197	-
Settlement of flow-through share premium	-	(1,787)
Changes in non-cash operating capital:		
Sales tax receivable	(2,182)	6,534
Prepaid expenses	-	(6,515)
Accounts payables and accrued liabilities	29,833	14,413
<b>Net cash used in operating activities</b>	<b>(161,437)</b>	<b>(95,344)</b>
<b>Financing activities</b>		
Private placement proceeds, net of cost of issue	302,000	189,500
Cost of issuing share capital	(7,600)	-
<b>Net cash provided by financing activities</b>	<b>294,400</b>	<b>189,500</b>
<b>Net change in cash</b>	<b>132,963</b>	<b>94,156</b>
<b>Cash, beginning of period</b>	<b>138,094</b>	<b>93,094</b>
<b>Cash, end of period</b>	<b>\$ 271,057</b>	<b>\$ 187,250</b>

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

**BWR Exploration Inc.****Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars)****Unaudited**

		<u>Reserves</u>			
	<b>Share capital</b>	<b>Contributed surplus</b>	<b>Warrants reserve</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, November 30, 2018</b>	<b>\$ 2,848,987</b>	<b>\$ 235,859</b>	<b>\$ 579,473</b>	<b>\$ (3,811,633)</b>	<b>\$ (147,314)</b>
Private placement	189,500	-	-	-	189,500
Cost of issue - broker warrants	(1,300)	-	1,300	-	-
Net loss for the period	-	-	-	(107,989)	(107,989)
<b>Balance, February 28, 2019</b>	<b>\$ 3,037,187</b>	<b>\$ 235,859</b>	<b>\$ 580,773</b>	<b>\$ (3,919,622)</b>	<b>\$ (65,803)</b>
<b>Balance, November 30, 2019</b>	<b>\$ 3,177,777</b>	<b>\$ 293,235</b>	<b>\$ 204,007</b>	<b>\$ (3,848,853)</b>	<b>\$ (173,834)</b>
Private placements	302,000	-	-	-	302,000
Cost of issue - cash	(7,600)	-	-	-	(7,600)
Cost of issue - broker warrants	(1,300)	-	1,300	-	-
Expiry of warrants	-	-	(154,107)	154,107	-
Flow-through premium	(120,800)	-	-	-	(120,800)
Share-based payments	-	4,197	-	-	4,197
Net loss for the period	-	-	-	(193,285)	(193,285)
<b>Balance, February 29, 2020</b>	<b>\$ 3,350,077</b>	<b>\$ 297,432</b>	<b>\$ 51,200</b>	<b>\$ (3,888,031)</b>	<b>\$ (189,322)</b>

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

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# **BWR Exploration Inc.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**Three Months Ended February 29, 2020**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Nature of operations and going concern**

BWR Exploration Inc. (the "Company" or "BWR"), incorporated on January 20, 2011, is engaged in the exploration of precious and base metal properties. BWR is a public company, quoted for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BWR". The Company's principal properties are the Shunsby Project, the Vendôme Sud Property and the Little Stull Lake Gold Project. The head office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1, Canada.

The unaudited condensed consolidated interim financial statements of BWR for the three months ended February 29, 2020 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2020.

As at February 29, 2020, the Company had a working capital deficit of \$189,322 (November 30, 2019 - working capital deficit of \$173,834) and a deficit of \$3,888,031 (November 30, 2019 - \$3,848,853). The Company has not generated revenues from operations. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. However, management of the Company believes that it will be able to pay its ongoing general and administrative expenses and meet its liabilities for the ensuing twelve months as they fall due through additional financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its exploration and evaluation expenditures is dependent on management's ability to generate cash and manage its cash resources.

Management believes the going concern assumption to be appropriate for these unaudited condensed consolidated interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the unaudited condensed consolidated interim financial statements. These adjustments could be material.

The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

### **2. Summary of significant accounting policies**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

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# BWR Exploration Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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### 2. Summary of significant accounting policies (continued)

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2020 could result in restatement of these unaudited condensed consolidated interim financial statements.

#### **New standards adopted**

The Company adopted the following amendment to accounting standards, effective December 1, 2018. This change was made in accordance with the applicable transitional provision.

#### IFRS 16 - Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

Effective December 1, 2019, the Company adopted the following and there was no material impact on the Company's financial statements.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- ◆ It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- ◆ Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- ◆ Amounts expected to be payable under any residual value guarantee;
- ◆ The exercise price of any purchase option granted if it is reasonable certain to assess that option; and
- ◆ Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- ◆ Lease payments made at or before commencement of the lease;
- ◆ Initial direct costs incurred; and
- ◆ The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

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## BWR Exploration Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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## 2. Summary of significant accounting policies (continued)

### New standards adopted (continued)

#### IFRS 16 - Leases ("IFRS 16") (continued)

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

#### 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 became applicable for annual periods beginning on or after January 1, 2019. At December 1, 2019, the Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

### Future accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after December 1, 2020 or later periods. Many are not applicable to or do not have a significant impact on BWR and have been excluded from the table below.

## 3. Mineral properties

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	Three months ended February 29, 2020	Three months ended February 28, 2019
Travel, meals and accommodations	\$ 2,893	\$ 3,041
Geological consultants (note 9)	108,500	32,933
Geophysics	-	8,881
Leases and taxes	1,258	1,258
Camp and equipment	-	3,700
	<b>\$ 112,651</b>	<b>\$ 49,813</b>

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## BWR Exploration Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

#### 4. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
<b>Balance - November 30, 2018</b>	<b>64,412,461</b>	<b>\$ 2,848,987</b>
Private placement (i)	3,790,000	189,500
Cost of issue - broker warrants (i)	-	(1,300)
<b>Balance - February 28, 2019</b>	<b>68,202,461</b>	<b>\$ 3,037,187</b>
<b>Balance - November 30, 2019</b>	<b>73,462,461</b>	<b>\$ 3,177,777</b>
Private placement (ii)	6,040,000	302,000
Cost of issue - cash (ii)	-	(7,600)
Cost of issue - broker warrants (ii)	-	(1,300)
Premium on flow-through shares issued (ii)	-	(120,800)
<b>Balance - February 29, 2020</b>	<b>79,502,461</b>	<b>\$ 3,350,077</b>

(i) On December 28, 2018, the Company closed a non-brokered private placement for aggregate gross proceeds of \$189,500 through the purchase of 947,500 Units consisting of 2,842,500 flow-through shares, 947,500 common shares plus 473,750 warrants, issued in connection with the Closing. Each Unit consists of 3 flow through shares, plus 1 common share, plus one half of one common share purchase warrant.

Each Warrant will expire 12 months from the date of issue and each whole warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at a price of \$0.075 per Warrant Share. The fair value of 437,750 warrants were estimated at \$1,300 using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.03, expected volatility - 101% (based on historical volatility), risk-free interest rate - 1.85%, exercise price of \$0.075 and an expected average life of 1 year.

Two insiders participated in this financing, subscribing for 150,000 Units for net proceeds to the Company of \$30,000.

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## BWR Exploration Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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#### 4. Share capital (continued)

b) Common shares issued (continued)

(ii) On December 20, 2019, the Company closed a non-brokered private placement comprising of 6,040,000 Common Shares at a price of \$0.05 per share for proceeds of \$302,000. Each unit consists of one common flow-through share of the Company. In connection with this financing, the Company paid \$7,600 and issued a total of 152,000 broker warrants as finder's fees. Each Broker Warrant will entitle the holder thereof to purchase one Common Share of the Company at the Exercise Price of \$0.075 for 24 months from the date of issue. Two insiders participated in this financing, subscribing for 150,000 Units for net proceeds to the Company of \$30,000.

The fair value of the 152,000 broker warrants was estimated at \$26,568, using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield - 0%, share price of \$0.03, expected volatility - 101% (based on historical volatility), risk-free interest rate - 1.65%, exercise price of \$0.075 and an expected average life of 2 years.

The flow-through units issued were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$120,800.

#### 5. Warrants

The following summarizes the warrant activity for the three months ended February 29, 2020 and 2019:

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	Number of warrants	Weighted average exercise price
<b>Balance - November 30, 2018</b>	<b>13,602,840</b>	<b>\$ 0.10</b>
Warrants issued (Note 4(b)(i))	437,750	0.075
<b>Balance - February 28, 2019</b>	<b>14,040,590</b>	<b>\$ 0.10</b>
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<b>Balance - November 30, 2019</b>	<b>6,295,250</b>	<b>\$ 0.11</b>
Broker warrants issued (Note 4(b)(ii))	152,000	0.075
Expired	(4,021,250)	(0.14)
<b>Balance - February 29, 2020</b>	<b>2,426,000</b>	<b>\$ 0.07</b>

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Expiry Date	Number of warrants	Exercise price (\$)	Fair value on grant (\$)
September 30, 2021	1,500,000	0.075	35,200
September 30, 2021	80,000	0.050	1,400
October 30, 2021	630,000	0.075	12,400
October 30, 2021	64,000	0.050	900
June 28, 2018	152,000	0.075	1,300
	<b>2,426,000</b>	<b>0.07</b>	<b>51,200</b>

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## BWR Exploration Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

#### 6. Stock options

The following summarizes the stock option activity for the three months ended February 29, 2020 and 2019:

	Number of stock options	Weighted average exercise price
<b>Balance - November 30, 2018</b>	<b>3,167,500</b>	<b>\$ 0.08</b>
Expired	(500,000)	0.10
<b>Balance - February 28, 2019</b>	<b>2,667,500</b>	<b>\$ 0.07</b>
<b>Balance - November 30, 2019 and February 29, 2020</b>	<b>3,730,000</b>	<b>\$ 0.05</b>

As of February 29, 2020, the following stock options were outstanding:

Expiry Date	Exercise price (\$)	Number of stock options	Number of exercisable stock options	Weighted average contractual life (years)	Grant date fair value (\$)
March 21, 2021	0.05	855,000	855,000	1.06	20,520
May 29, 2021	0.05	500,000	375,000	1.25	10,200
May 29, 2022	0.075	975,000	975,000	2.25	50,798
May 29, 2024	0.05	1,400,000	1,400,000	4.25	52,000
	<b>0.05</b>	<b>3,730,000</b>	<b>3,605,000</b>	<b>2.59</b>	<b>133,518</b>

#### 7. Loss per share

	Three months ended February 29, 2020	Three months ended February 28, 2019
Net loss per share:		
- basic	\$ (0.00)	\$ (0.00)
- diluted	\$ (0.00)	\$ (0.00)
Net loss for the period	\$ (193,285)	\$ (107,989)
Weighted average outstanding - basic	78,174,988	67,023,350
Weighted average outstanding - diluted	78,174,988	67,023,350

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding warrants and outstanding stock options as they are anti-dilutive.

## BWR Exploration Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

#### 8. General and administrative expenses

	Three months ended February 29, 2020	Three months ended February 28, 2019
Consulting fees (Note 9)	\$ 21,000	\$ 21,000
Accounting and corporate secretarial fees (Note 9)	12,044	13,048
Professional fees (Note 9)	9,250	9,000
Office and general (Note 9)	16,083	10,775
Travel and accommodation	165	1,915
Investor relations and shareholder information	17,895	4,225
Share-based payments (Notes 6 and 9)	4,197	-
	<b>\$ 80,634</b>	<b>\$ 59,963</b>

#### 9. Related party transactions

The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three months ended February 29, 2020, the Company incurred \$10,870 (three months ended February 28, 2019 - \$10,503) for accounting services rendered by MSSI. As at February 29, 2020, MSSI was owed \$5,149 (November 30, 2019 - \$4,102) and this amount was included in accounts payable and accrued liabilities.

DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services, is affiliated with MSSI through a common officer. During the three months ended February 29, 2020, the Company incurred \$4,563 (three months ended February 28, 2019 - \$3,579) for services rendered by DSA. As at February 29, 2020, DSA was owed \$4,170 (November 30, 2019 - \$593) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Nominex Ltd. ("Nominex"), a company controlled by the President and Chief Executive Officer ("CEO"). The fees consisted of consulting fees of \$15,000 during the three months ended February 29, 2020 (three months ended February 28, 2019 - \$15,000) for CEO services and exploration and evaluation expenditures of \$30,000, during the three months ended February 29, 2020 (three months ended February 28, 2019 - \$22,500) for geological consulting. As at February 29, 2020, Nominex was owed \$158,475 (November 30, 2019 - \$155,000) and this amount was included in accounts payable and accrued liabilities.

As at February 29, 2020, the Company has accounts payable to Neil Novak, the President and CEO of the Company. As at February 29, 2020, Neil was owed \$2,526 (November 30, 2019 - \$1,890) and this amount was included in accounts payable and accrued liabilities.

The Company received legal services from REVlaw, where the Company's Corporate Secretary is a partner. During the three months ended February 29, 2020, the Company incurred \$6,000 (three months ended February 28, 2019 - \$6,000) for services rendered by REVlaw. As at February 29, 2020, REVlaw was owed \$86,000 (November 30, 2019 - \$80,000) and this amount was included in accounts payable and accrued liabilities.

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## **BWR Exploration Inc.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**Three Months Ended February 29, 2020**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **9. Related party transactions (continued)**

The Company received consulting services from G. Duguay Services Inc., a company controlled by a director of the Company. During the three months ended February 29, 2020, the Company incurred \$6,000 (three months ended February 28, 2019 - \$6,000) for services rendered by G. Duguay Services Inc. As at February 29, 2020, G. Duguay Services Inc. was owed \$67,000 (November 30, 2019 - \$61,000) and this amount was included in accounts payable and accrued liabilities.

The above noted transactions are in the normal course of business.

To the knowledge of the directors and senior officers of the Company, as at February 29, 2020, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below. None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of February 29, 2020, directors and officers with control of less than 10% of the common shares of the Company collectively control 13,322,800 common shares of the Company or approximately 17% of the total common shares outstanding.

#### **10. Segmented information**

The Company operates in one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties located in Canada.

#### **11. Subsequent event**

On April 16, 2020, the Company granted 1,450,000 stock options at an exercise price of \$0.05 were granted to the Officers, Directors and Consultants to the Company. The stock options granted vest immediately and are exercisable for a period of five years from date of grant.