



(an exploration stage company)

Unaudited Consolidated Financial Statements

(Expressed in Canadian dollars)

**As at and for the years ended
May 31, 2020 and May 31, 2019**



(an exploration stage company)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Waseco Resources Inc. [the "Company"] are the responsibility of the management and have been approved by the Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies as disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared fairly, in all material respects and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

"Richard Williams"
President

"Richard Williams"
Acting Chief Financial Officer

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Statements for the three months ended May 31, 2020 and 2019 have not been reviewed by the Company's auditors.



(an exploration stage company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	May 31, 2020	February 29, 2020
	\$	\$
Assets		
Current assets		
Cash (Note 4)	228	5,257
Sales taxes recoverable	9,100	3,542
	9,328	8,799
Other assets		
BLM Exploration Bond (Note 5)	24,458	23,569
Total Assets	33,786	32,368
Liabilities		
Current liabilities		
Trade payables and accruals (Note 6)	112,210	151,049
Loans and advances payable (Note 7)	499,648	393,653
Shareholder loan (Note 12)	10,000	15,000
Exploration deposits received, net (Note 8)	356,760	357,637
	978,618	917,340
Long-term liabilities		
Provision for property restoration (Note 5)	24,458	23,569
Shareholders' Equity (Deficiency in Asset)		
Share capital	6,471,509	6,471,509
Share payment reserve	59,920	59,920
Warrants reserve	1,974	1,974
Deficit	(7,502,694)	(7,441,944)
Total Shareholders' Equity (Deficiency in Assets)	(969,291)	(908,541)
Total Liabilities and Shareholders' Equity	33,786	32,368

Nature of Operations and Going Concern (Note 1)

Subsequent events Note. 13

Approved by the Board:

("Signed") Richard Williams
Acting CFO and Director

("Signed") Richard Williams
CEO & Director

The accompanying notes are an integral part of these financial statements



Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

(an exploration stage company)

<i>Periods ended</i>	May 31, 2020	May 31, 2019
	\$	\$
Expenses		
General and administrative	206	129
Professional fees	42,740	6,120
Exploration and evaluation expenditures	17,934	6,010
	60,880	12,259
Loss before other income	(60,880)	(12,259)
Other income:		
Miscellaneous income	130	-
	130	-
Comprehensive loss	(60,750)	(12,259)
Loss per share -basic and diluted	(0.001)	(0.000)
Weighted average number of shares outstanding - basic and diluted	41,681,390	40,271,390

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



Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(an exploration stage company)

	Capital Stock		Reserves			Total
	Number of shares	Amount	Contributed Surplus	Warrants	(Deficit)	
Balance at March 1, 2019	40,271,390	\$ 6,393,739	\$ 70,800	\$ -	\$ (7,340,369)	\$ (875,830)
July 2019:						
Issuance of shares	1,410,000	70,500	-	-	-	70,500
Value of options forfeited	-	10,880	(10,880)	-	-	-
Share issuance costs	-	(1,637)	-	-	-	(1,637)
Issue of warrants	-	(1,974)	-	1,974	-	-
Comprehensive loss for the year ended February 29, 2020	-	-	-	-	(101,575)	(101,575)
Balance at March 1, 2020	41,681,390	6,471,509	59,920	1,974	(7,441,944)	(908,541)
Comprehensive loss for the three months ended May 31, 2020	-	-	-	-	(60,750)	(60,750)
Balance at May 31, 2020	41,681,390	6,471,509	59,920	1,974	(7,502,694)	(969,291)

	Capital Stock		Reserves			Total
	Number of shares	Amount	Contributed Surplus	Warrants	(Deficit)	
Balance at March 1, 2019	40,271,390	\$ 6,393,739	\$ 70,800	\$ -	\$ (7,340,369)	\$ (875,830)
Comprehensive loss for the three months ended May 31, 2019	-	-	-	-	(12,259)	(12,259)
Balance at May 31, 2019	40,271,390	6,393,739	-	-	(7,352,628)	(888,089)

The accompanying notes are an integral part of these financial statements



Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)

(an exploration stage company)

Periods ended	May 31, 2020	May 31, 2019
Operating activities		
Net loss	(60,750)	(12,259)
Adjustments to reconcile net loss to cash flow from operating activities:	-	-
Impact on cash flow of net changes in non-cash working capital items:		
Sales taxes recoverable	(5,558)	14,817
Exploration advances	(877)	-
Prepaid expenses	-	(2,100)
Trade and other payables	(38,839)	2,033
	(106,024)	2,491
Financing		
Loans and advances payable	105,995	-
Repayment of shareholder loan	(5,000)	-
	100,995	-
Increase (Decrease) in cash	(5,029)	2,491
Cash at end of period	5,257	693
Cash and Cash Equivalents at End of Period	228	3,184

The accompanying notes are an integral part of these financial statements



Notes to unaudited Consolidated Interim Condensed Financial Statements
(Expressed in Canadian Dollars)
Three-Months Ended May 31, 2020 and May 31, 2019

(an exploration stage company)

1. NATURE OF OPERATIONS AND GOING CONCERN

Waseco Resources Inc. (“Waseco” or the “Company”) is continued under the laws of Ontario. Its shares trade on the TSX Venture Exchange under the symbol WRI and on the Frankfurt Exchange under the symbol WSE. The Company’s registered office is Suite 1500, 2 Queen Street East, Toronto, Ontario, M5C 3G5.

The Company is an exploration stage company whose current focus is on a gold prospect in Nevada, USA. The Company also has interests in exploration prospects in Ontario and Quebec, Canada and a Positive Bankable Feasibility Study (“intellectual Property”) relating to a gold prospect in Indonesia. Substantially all the Company’s efforts are devoted to developing the properties. There has been no determination whether the Company’s interests in mineral properties contain mineral reserves which are economically recoverable.

As at May 31, 2020, the Company had working capital deficiency of \$969,290 (February 29, 2020 - \$908,541), had no profitable operations, had accumulated losses in the development of its business of \$7,502,694 (February 29, 2020 - \$7,441,944) and expects to incur future losses in the development of its business, all of which casts significant doubt on the Company’s ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments, if any, to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering of joint venture or option arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

For further comments on the Company’s liquidity risk refer to Note 4 below.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited consolidated interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on July 28, 2020.



Notes to unaudited Consolidated Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Three-Months Ended May 31, 2020 and May 31, 2019

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2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation and functional and presentation currency

These audited consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for fair value through profit and loss assets, which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information, as explained in the accounting policies set out in Note 3.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Basis of consolidation

These audited consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary: Waseco Resources US Inc., a Nevada corporation based in the United States. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All inter-company transactions, balances revenues and expenses are eliminated on consolidation.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. If, however, the joint venture decides to continue the exploration in Quebec then the Company would have a source of revenue. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The mining industry is cyclical in nature. For the past few years, raising equity capital for junior explorers, such as Waseco, has been challenging. These market conditions appear to be improving as the price of gold recovers. The Company has historically relied, beyond modest revenue amounts generated, on equity financing to raise capital and expects to be able to continue to do so. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting. In the meantime, the Company has been fortunate in being the beneficiary of interest free advances by Directors but there is no assurance of the continuation of such support.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.



Notes to unaudited Consolidated Interim Condensed Financial Statements

(Expressed in Canadian Dollars)

Three-Months Ended May 31, 2020 and May 31, 2019

(an exploration stage company)

3. CAPITAL MANAGEMENT (continued)

The Company is not subject to any capital requirements imposed by regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of May 31, 2020, the Company was not compliant with this policy of the TSXV.

There were no changes in the Company's approach to capital management during the three-months ended May 31, 2020.

4. FINANCIAL INSTRUMENTS

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

Interest-rate risk

Waseco maintains excess cash balances in an interest-bearing bank account at a major Canadian financial institution.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and refunds of government taxes due and the risk is considered low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At May 31, 2020, the Company had a working capital deficiency of \$960,290 (February 29, 2020 – \$908,541). In order to meet its longer-term working capital and property exploration expenditures, the Company would, if necessary, attempt to secure further financing to ensure that those obligations were properly discharged. There can be no assurance that Waseco will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. In the meantime, Mr. Williams, the Chief Executive Officer and a Director of the Company, has been supporting the Company's operations by extending shareholder advances to the Company with neither interest nor fixed repayment terms. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Waseco may change and shareholders may suffer additional dilution.

Sensitivity analysis

The Company's investments are subject to fair value fluctuations. As at May 31, 2020 if the fair value of the investments had changed by 10%, with all other variables held constant, the change in net comprehensive loss for the year then ended would have been insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).



Notes to unaudited Consolidated Interim Condensed Financial Statements
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5. BLM EXPLORATION BOND

The lease covering 29 claims on the Battle Mountain Gold Trend, in Larder County, Nevada, has been transferred to Waseco Resources US Inc., a wholly owned subsidiary of the Company. There was an initial US\$10,200 exploration bond on the leased property, and this was subsequently increased to US\$17,740 to cover the planned follow up drill program. These leases are subject to the comments in Subsequent Events (Note 13).

6. CURRENT LIABILITIES

Trade payables and accruals of the Company are principally amounts owing from normal operating activities. Advances from a director represent funds advanced to support the Company. The deposit received is in respect of the Labrador Trough ORANO joint venture which is discussed in Note 8 below.

	As at	
	May 31, 2020	February 29, 2020
Trade payables and accruals	112,210	151,049
Shareholder loan	10,000	15,000
Due to director	499,648	393,653
Exploration deposits received, net	356,760	357,638
	<u>\$ 978,618</u>	<u>\$ 917,340</u>

7. RELATED PARTY TRANSACTIONS AND DUE TO DIRECTOR

Except for the amounts advanced to or on behalf of the Company by a director noted above, the financial statements include no balances or transactions with directors and/or officers of the Company other than payments and accruals and reimbursements of out of pocket amounts paid by them on behalf of the Company. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

During the three-month period to May 31, 2020, \$105,995 was lent interest free to the Company and has been included in the Due to Director liability above of \$499,648 (2020 - \$393,653).

The Company's related parties consist of the following officers, directors:

Officers and directors	Title
Richard Williams	President, Chief Executive Officer and Director
Derek Bartlett	Director
Michael Ellingson	Director
Gary O'Connor	Director



Notes to unaudited Consolidated Interim Condensed Financial Statements

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8. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are broken down as follows:

Property	(CANADA)	(CANADA)	(FOREIGN)
	James Bay Lowland Ontario	Labrador Trough Quebec	Battle Mountain Nevada
Balance, March 1, 2019	170,324	102,753	1,538,507
Property expenditures	-	-	55,256
Balance March 1, 2020	170,324	102,753	1,538,507
Property expenditures	-	98	17,836
Balance May 31, 2020	\$ 170,324	\$ 102,753	\$ 1,593,763

The Company has interests in the following properties:

1. Quebec-Labrador Trough – The Company controls these uranium prospects which consist of multiple blocks. The Company has a joint venture agreement with ORANO and to date the Company's monetary contribution has been \$102,753 in addition to the underlying properties. The Company's joint venture partner advanced the Company funds to be used to pay for exploration expenditures of which \$356,760 in advances is unspent at May 31, 2020. Waseco earns a 10% fee on exploration expenditures incurred, which is recognized as miscellaneous income in these financial statements.
2. James Bay Lowlands – The Company acquired a 5% interest in 2003 in a 2,440-acre claim block adjacent to the DeBeers Victor mine in the Attawapiskat Region in Northern Ontario. The property is subject to a 2% net smelter return ("NSR"), with the Company and its joint venture partners having a right of first refusal to buy out 1%.
3. Battle Mountain Ridge, Nevada – is subject to a 5% NSR royalty of which 2.5% NSR can be acquired at any time for US\$1.5 Million. The NSR Agreement initially called for advance royalty payments of US\$75,000 per year. The Annual Advance Royalty was reduced by negotiation from US \$75,000 annually in 2016 to US \$50,000, starting in fiscal 2018. To date, a total of CDN \$1,129,300 has been paid.

In addition, the Company has contracted to pay quarterly lease payments of US \$5,000. These payments include an inflation adjustment, to be calculated quarterly.

Subsequent to the end of the quarter, the Company announced that it has optioned its interests in the Battle Mountain Ridge property, as detailed in Note 13 below.

9. CAPITAL STOCK

Share Capital

Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares.

On July 5th, 2019, the Company closed a non-brokered unit private placement, (the "Offering"), with the placement of 1,410,000 units for gross proceeds of \$70,500. The Offering was for units at a price of \$0.05 per unit, with each unit consisting of consisting of one common share (the "Common Shares") and one half (1/2)



Notes to unaudited Consolidated Interim Condensed Financial Statements
(Expressed in Canadian Dollars)
Three-Months Ended May 31, 2020 and May 31, 2019

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9. CAPITAL STOCK

Share Capital (continued)

share purchase warrant (the “Warrants”). Each full Warrant entitles the holder to purchase one common share of the Company at a price of \$0.075 per share at any time prior to 12 months from the date of the closing of the Offering.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the cost of the warrants issued during the period,

	July 5, 2019
Number of warrants issued	705,000
Weighted average information	
Exercise Price	\$0.075
Risk-free interest rate	1.65%
Life	1 year
Expected volatility	100%
Expected dividends	-

These warrants were to expire on July 5th, 2020; however, their term has been extended until January 5th, 2021. (See Subsequent Events, Note 13).

An analysis of movements in Capital Stock is set out in the Equity analysis above,

Share-Based Payment Plan

Waseco has established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, options shall vest immediately except those options granted to consultants or persons employed in investor relations activities, which are to vest over a twelve-month period. All options expire on the fifth anniversary from the grant date, unless specified otherwise in a Director’s Resolution.

The exercise price of each option issued shall not be less than the closing market price of the Company’s stock on the day immediately preceding the date of grant.

The following table summarizes stock options issued and outstanding:



Notes to unaudited Consolidated Interim Condensed Financial Statements
(Expressed in Canadian Dollars)
Three-Months Ended May 31, 2020 and May 31, 2019

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9. CAPITAL STOCK (continued)

<i>Period ended</i>	May 31, 2020		February 29, 2020	
	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price	No. of Options
Outstanding at beginning of period	\$0.075	2,200,000	\$0.075	2,600,000
Transactions during the year				
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	0.075	-	\$0.075	(400,000)
Outstanding at end of the period	\$0.075	2,200,000	\$0.075	2,200,000
Exercisable at end of the period	\$0.075	2,200,000	\$0.075	2,200,000

On March 16, 2018, the Company issued 1.6 million options to its Directors as well as 1.0 million options to its four members of its Technical Advisory Committee and its Battle Mountain Ridge Project Manager. These options are exercisable at \$0.075 per share and expire on March 16, 2021.

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the options granted during the period.

	March 16, 2018
Number of options granted	2,600,000
Weighted average information	
Exercise Price	\$0.075
Risk-free interest rate	1.88%
Life	3 years
Expected volatility	100%
Expected dividends	-

10. INCOME TAXES

At February 29, 2020, the Company has approximately \$988,000 (2019 - \$926,600) in non-capital losses carried forward for which no benefit has been recognized in the accounts. If these losses are not utilized, they will expire between 2030 and 2040.

At February 29, 2020, the Company has \$6,213,100 (2019 - \$6,156,900) of unused CCEE, CCDE, FEDE and CFRE expenses and capital losses of \$312,400 (2019 - \$312,400). The tax benefits pertaining to these expenses are available to be carried forward indefinitely and similarly no benefit has been recognized in the accounts owing to the uncertainty of the Company's ever achieving taxable income against which these amounts might be utilized.

The tax effect of temporary differences, at the statutory Canadian income tax rate of 26.5%, that gave rise to the unrecorded deferred tax assets are:



Notes to unaudited Consolidated Interim Condensed Financial Statements
(Expressed in Canadian Dollars)
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10. INCOME TAXES (continued)

	2020	2019
Deferred Tax Assets		
Exploration expenditures	1,644,000	1,632,000
Loss carry-forwards	303,000	287,000
Less: valuation allowance	(1,947,000)	(1,919,000)
Net Deferred Tax Assets	-	-

11. SEGMENTED INFORMATION

The Company has identified its reportable operating segments based on the information used by the President and Chief Financial Officer (considered to be the chief decision makers) to manage the business. The Company primarily manages its business by looking at the geographical location that separates its operations.

As at	May 31, 2020	May 31, 2020	February 29, 2020	February 29, 2020
	Current Assets	Total Assets	Current Assets	Total Assets
Canada	9,354	9,354	8,888	8,888
U.S.A	(26)	24,432	(88)	23,480
	\$ 9,328	\$ 33,786	\$ 8,800	\$ 32,368

As at	May 31, 2020	May 31, 2020	February 29, 2020	February 29, 2020
	Current Liabilities	Total Liabilities	Current Liabilities	Total Liabilities
Canada	970,133	970,133	824,025	824,025
U.S.A	8,485	32,943	93,314	116,883
	\$ 978,618	\$ 1,003,076	\$ 917,339	\$ 940,908

For the period ended	May 31, 2020	May 31, 2020	February 28, 2019	February 28, 2019
Operating segment	Canada	U.S.A.	Canada	U.S.A.
Other income	-	-	-	-
Exploration and evaluation expenditures	98	17,836	-	55,256
Other expenditures	42,816	-	46,319	-
Comprehensive Loss	\$ 42,914	\$ 17,836	\$ 46,319	\$ 55,256

12. LOANS AND ADVANCES

At May 31, 2020, loans and advances consisted of the following:

Unsecured loan payable bearing interest at 12% p.a.; matures February 27, 2020	5,000
Non-interest bearing, unsecured shareholder loan	5,000
	<u>\$ 10,000</u>



13. SUBSEQUENT EVENTS

1. Waseco Options Nevada Gold Property to SSR Mining

On July 13th, 2020, the Company reported that its wholly owned U.S. subsidiary, has entered into an Option Agreement with a wholly owned subsidiary of SSR Mining Inc. ("SSRM"), relating to the Company's Battle Mountain Ridge ("BMR") leased gold property in Nevada.

The 29 claim BMR property is strategically located on the Battle Mountain-Eureka Trend, immediately adjacent to the Trenton Canyon Mine, which SSRM recently acquired from Newmont. It is approximately 10 km south of SSRM's current Marigold Mine operations.

BMR hosts oxide gold mineralization identified by drilling programs carried out by several previous operators over the past 30 years. To date, three gold zones have been identified on the property. The South and West zones are oxide hosted and drilling by Waseco has extended the West Zone laterally.

Additionally, and importantly, Waseco has made a sulphide hosted gold discovery near the Northern property boundary with SSRM. (see WRI News Releases Jan. 12th, 2012 and Jan 26th, 2017). This zone appears to be on trend with a recently announced discovery by SSRM, on its Marigold property, approximately 1.5km to the north-west from the BMR property boundary, where SSRM announced a gold intercept of 5.19g Au over 94.5 meters (see SRRM News Release- May 14th, 2020).

Under the terms of the Agreement, SSRM has agreed to carry out exploration expenditures of US\$1.5 million within the next 5 years and assume all of the carrying costs of the BMR property during the option period. At the end of the exploration phase, SSRM may acquire Waseco's interests by paying US\$25 per ounce of gold in all resource categories discovered (measured, indicated, and inferred). This acquisition will involve a minimum payment to the Company of US\$1 Million and a maximum payment of US\$6 Million as well as a 1% NSR royalty on production payable to the Company. Waseco will also receive a US\$100,000 payment and re-imbursement of certain expenses on the effective date of the Option Agreement. The transaction is subject to TSX-V approval.

2. The expiration date for the exercise of the 705,000 warrants issued as part of the unit offering private placement completed on July 5th, 2019, has been extended from July 5th, 2020 to January 5th, 2021. All other terms and conditions remain unchanged.

3. COVID-19

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's



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operations and ability to finance its operations. The Company would be adversely affected by the loss of services of key personnel and restrictions on cross border trade.