



GT Gold Corp.
Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2020 and 2019
(Expressed in Canadian dollars) - Unaudited



**Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2020 and December 31, 2019
(Expressed in Canadian dollars) – Unaudited**

	Note	September 30, 2020	December 31, 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		9,408,885	15,314,386
GST receivable		271,575	1,100,692
Other receivables		10,383	117,837
Prepays expenses and deposits		249,431	379,035
		9,940,274	16,911,950
Reclamation deposits	4	113,263	113,263
Exploration and evaluation assets	4	2,314,494	2,304,494
Buildings and equipment	5	611,703	505,172
		12,979,734	19,834,879
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		850,095	749,150
Accrued liabilities		398,786	275,500
Flow-through premium liability	6	692,683	2,919,057
Due to related parties	7	-	257,247
		1,941,564	4,200,954
Reclamation liability	4	-	82,155
		1,941,564	4,283,109
Shareholders' equity			
Share capital		47,957,159	45,653,144
Share-based payments reserve		4,005,543	3,750,862
Deficit		(40,924,532)	(33,852,236)
		11,038,170	15,551,770
		12,979,734	19,834,879

Approved on behalf of the Board of Directors on November 27, 2020:

"Ashwath Mehra"

Ashwath Mehra,
Executive Chairman

"Paul Harbidge"

Paul Harbidge,
President, CEO and Director

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



**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2020 and 2019**

(Expressed in Canadian dollars, except number of shares outstanding) - Unaudited

	Note	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
		\$	\$	\$	\$
Operating expenses					
Accounting and legal		32,715	106,220	132,877	251,425
Consulting fees		55,378	105,214	148,991	164,706
Depreciation	5	28,707	6,984	63,661	21,796
Directors' fees		58,480	56,031	176,250	155,048
Exploration expenditures	4	4,055,958	6,063,098	6,433,417	8,708,698
Filing and transfer fees		27,991	20,203	163,435	64,916
Investor relations and marketing		85,231	367,366	252,476	727,785
Office and miscellaneous		103,545	128,137	235,771	195,659
Salaries and wages		206,655	392,986	615,209	635,347
Share-based payments	8	356,635	544,098	1,133,847	1,471,138
Travel		10,223	18,252	104,696	23,020
Reclamation expenses		8,817	-	8,817	-
		5,030,335	7,808,589	9,469,447	12,419,538
Loss from operations		(5,030,335)	(7,808,589)	(9,469,447)	(12,419,538)
Interest income		24,192	-	170,777	-
Amortization of flow-through share premium	6	1,576,540	2,495,315	2,226,374	3,155,625
Loss and comprehensive loss for the period		(3,429,603)	(5,313,274)	(7,072,296)	(9,263,913)
Loss per share					
Basic and diluted		(0.03)	(0.05)	(0.06)	(0.08)
Weighted average number of shares					
Basic and diluted		126,412,907	112,415,067	125,800,183	109,827,785

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



Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019
(Expressed in Canadian dollars) - Unaudited

	Note	2020	2019
		\$	\$
Operating activities			
Loss for the period		(7,072,296)	(9,263,913)
Items not affecting cash:			
Depreciation		63,661	21,796
Share-based payments		1,133,847	1,471,138
Amortization of flow-through share premium		(2,226,374)	(3,155,625)
Accretion expense		880	-
Reclamation expense		8,817	-
Changes in non-cash working capital:			
GST receivable		829,117	(468,232)
Other receivables		107,454	84,250
Prepaid expenses		129,604	(6,545)
Trade and other payables		100,945	704,273
Accrued liabilities		123,286	289,000
Due to related parties		(257,247)	(14,777)
Reclamation expenditures	4	(91,852)	-
Net cash used in operating activities		(7,150,158)	(10,338,635)
Financing activities			
Proceeds from the issuance of flow-through shares		-	17,579,072
Proceeds from the exercise of options		1,414,849	-
Share issuance costs paid in cash		-	(250,000)
Net cash provided by financing activities		1,414,849	17,329,072
Investing activities			
Acquisition of buildings and equipment		(170,192)	(463,404)
Net cash used in investing activities		(170,192)	(463,404)
Net (decrease) increase in cash		(5,905,501)	6,527,033
Cash, beginning of the period		15,314,386	3,663,212
Cash, end of the period		9,408,885	10,190,245

Supplemental disclosure with respect to cash flows (Note 10)

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



Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, except number of shares outstanding) – Unaudited

	Number of shares	Amount	Share-based payments reserve	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance at December 31, 2018	104,566,979	27,026,919	1,749,303	(22,442,551)	6,333,671
Issued in private placement of flow-through shares (Note 8(b))	11,489,601	17,579,072	-	-	17,579,072
Flow-through premium (Note 8(b))	-	(7,123,553)	-	-	(7,123,553)
Share issuance costs (Note 8(b))	-	(250,000)	-	-	(250,000)
Share-based payments (Note 8(c))	-	-	1,471,138	-	1,471,138
Net loss for the period	-	-	-	(9,263,913)	(9,263,913)
Balance at September 30, 2019	116,056,580	37,232,438	3,220,441	(31,706,464)	8,746,415
Issued in private placement (Note 8(b))	6,877,199	8,252,639	-	-	8,252,639
Issued pursuant to the exercise of options (Note 8(c))	499,999	372,993	(146,743)	-	226,250
Share issuance costs (Note 8(b))	-	(204,926)	-	-	(204,926)
Share-based payments (Note 8(c))	-	-	677,164	-	677,164
Net loss for the period	-	-	-	(2,145,772)	(2,145,772)
Balance at December 31, 2019	123,433,778	45,653,144	3,750,862	(33,852,236)	15,551,770
Issued pursuant to the exercise of options (Note 8(c))	2,989,998	2,294,015	(879,166)	-	1,414,849
Issued for exploration assets (Note 8(b))	10,000	10,000	-	-	10,000
Share-based payments (Note 8(c))	-	-	1,133,847	-	1,133,847
Net loss for the period	-	-	-	(7,072,296)	(7,072,296)
Balance at September 30, 2020	126,433,776	47,957,159	4,005,543	(40,924,532)	11,038,170

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

1) NATURE OF OPERATIONS

GT Gold Corp. (“GT Gold” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 9, 2013. The head office and principal address of GT Gold is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

The Company is listed on the TSX Venture Exchange and its common shares trade under the symbol GTT.V. The Company’s primary business is the acquisition and exploration of mineral properties, with a focus on British Columbia. The Company through its wholly-owned subsidiary, New Chris Minerals Ltd. (“New Chris”) owns the mineral concessions comprising the Tatogga Project (Note 4(b)) and the New Nanik Project (Note 4(c)).

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company’s project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company’s projects may also impact the Company’s ability to perform exploration activities at the projects.

2) BASIS OF PRESENTATION

a) Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, and International Financial Reporting Standards (“IFRS”). These interim financial statements should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended December 31, 2019, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These interim financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These interim financial statements incorporate the financial statements of the Company and its controlled subsidiary, New Chris. Control exists when the Company has the power, directly or indirectly, to govern the financing and operating policies of an entity so as to obtain benefits from its activities. The interim financial statements include the accounts of the Company and its subsidiary. Intercompany balances, transactions, income and expenses are eliminated on consolidation. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties in Canada and all of its assets and liabilities are located in Canada.

These interim financial statements were prepared using accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2019.

These financial statements were approved by the Company’s Board of Directors on November 27, 2020.

3) SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of the interim financial statements. In addition, the preparation of the financial data requires that the Company's management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

In preparing the interim financial statements for the three and nine months ended September 30, 2020, the Company applied the critical judgments and estimates disclosed in Note 3 of its audited consolidated financial statements for the year ended December 31, 2019 and the following amendments to accounting policies:

Amendments to IFRS 3 Definition of a Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020. The Company will assess the impact of these amendments on future acquisitions to all business combinations and asset acquisitions.

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation asset acquisition costs:

	Tatogga	New Nanik	Total
	\$	\$	\$
Balance at December 31, 2018	1,161,994	1,037,500	2,199,494
Additions – cash	105,000	-	105,000
Balance at December 31, 2019	1,266,994	1,037,500	2,304,494
Additions – common shares	10,000	-	10,000
Balance at September 30, 2020	1,276,994	1,037,500	2,314,494

a) Reclamation Deposits

As at September 30, 2020, the Company has a total of \$113,263 (December 31, 2019 - \$113,263) in reclamation deposits held pursuant to a Safekeeping Agreement with the Province of British Columbia.

b) Tatogga Property, British Columbia

The Company (through New Chris) entered into an option agreement dated June 13, 2011, and as amended March 25, 2014, June 10, 2016 and October 18, 2016, with Richard Billingsley, Gaye Richards and 0886260 B.C. Ltd. (collectively, the “Optionors A”). The Optionors A granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims situated in the Red Chris (Iskut) region of northwestern British Columbia now known as the “Tatogga South Block” and encompassing the Saddle South gold-silver discovery, Saddle North copper-gold discovery and Pass Gossan prospect. As at September 30, 2020, in order to keep the option in good standing, the Company is required to make remaining staged cash payments to the Optionors A as follows:

- \$25,000 on signing (paid);
- \$50,000 on November 22, 2016 (paid);
- \$50,000 on November 22, 2017 (paid);
- \$100,000 on November 22, 2018 (paid);
- \$100,000 on November 22, 2019 (paid); and
- \$100,000 on November 22, 2020 (paid October 14, 2020).

The Optionors A retain a 2% NSR royalty on all future production from the Tatogga South Block claims, but pursuant to the option agreement, the Company has the sole and exclusive right to purchase 1% of the NSR royalty for \$1,500,000 within five years from the date that the Tatogga property attains commercial production.

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

On November 28, 2017, the Company entered into an option agreement with Edward Asp (the "Optionor"). The Optionor granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of additional mineral claims contiguous to the Tatogga Lake Property known as the "Gun" claims. As at September 30, 2020, in order to keep the option in good standing, the Company is required to make staged cash payments to the Optionor as follows:

- \$7,500 on November 28, 2017 (paid);
- \$5,000 on November 28, 2018 (paid);
- \$5,000 on November 28, 2019 (paid); and
- \$5,000 on November 28, 2020.

In addition to the cash consideration, the Company was required to issue 5,000 common shares to the Optionor in three separate tranches. 15,000 common shares have been issued to the Optionor to fulfill this requirement.

The Optionor retains a 2% NSR royalty on all future production from the claims, but pursuant to the option agreement, the Company has the sole and exclusive option to repurchase the NSR royalty for a price of \$250,000 at any time.

As at June 30, 2020, the Company had a reclamation liability relating to the Tatogga property of \$83,035, including \$880 in accretion recorded as a Tatogga exploration expense in the six months ended June 30, 2020. During the three months ended September 30, 2020, the Company moved its camp equipment to its Bear Paw property and fulfilled its reclamation obligations. Total reclamation expenditures were \$91,852, or \$8,817 more than its recorded liability at June 30, 2020.

c) New Nanik Property, British Columbia

The Company (through New Chris) entered into an option agreement dated April 24, 2012, and as amended March 20, 2014, June 1, 2016, June 10, 2016 and October 18, 2016, with Richard Billingsley and Gaye Richards (collectively, the "Optionors B"). The Optionors B granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims known as the New Nanik property, situated in west-central British Columbia approximately 100 kilometres southeast of Terrace.

The Company was required to make staged cash payments totalling \$225,000 to the Optionors B in connection with the option agreement. On April 19, 2018, the Company met the option requirements and assumed 100% legal title to the New Nanik property. In connection with the agreement the Company will be required to pay to the Optionors B a 2% NSR royalty on all future production from the New Nanik claims.

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

The following table provides a summary of exploration and evaluation expenditure costs for the three and nine months ended September 30, 2020 and 2019:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Tatogga Property				
Camp costs	1,436,987	1,273,570	1,884,068	1,923,092
Drilling expenditures	899,724	2,610,386	910,253	3,214,126
Assaying	227,392	966,845	446,207	1,292,450
Geochemical	32,128	11,150	156,486	48,903
Geophysics	-	123,207	-	238,929
Study costs	244,169	-	1,229,243	-
Environmental and permitting	35,493	48,094	86,298	76,904
Geological consulting	262,872	166,085	512,261	395,230
Metallurgy	14,515	15,606	125,197	37,767
Aircraft	801,798	843,605	861,292	1,217,530
Miscellaneous	100,880	4,149	220,981	263,366
Total Tatogga Property	4,055,958	6,062,697	6,432,286	8,708,297
Total New Nanik Property	-	401	1,131	401
Total Expenditures	4,055,958	6,063,098	6,433,417	8,708,698

5) BUILDINGS AND EQUIPMENT

	Computer hardware	Field equipment	Tank and fuel equipment	Buildings	Total
	\$	\$	\$	\$	\$
Cost					
Balance at December 31, 2018	15,091	16,922	25,821	-	57,834
Additions	-	-	-	508,404	508,404
Balance at December 31, 2019	15,091	16,922	25,821	508,404	566,238
Additions	100,277	48,332	15,125	6,458	170,192
Balance at September 30, 2020	115,368	65,254	40,946	514,862	736,430
Accumulated depreciation					
Balance at December 31, 2018	10,222	12,586	7,375	-	30,184
Additions	2,176	804	3,422	24,481	30,882
Balance at December 31, 2019	12,398	13,390	10,797	24,481	61,066
Additions	20,700	4,068	3,258	35,635	63,661
Balance at September 30, 2020	33,098	17,458	14,055	60,116	124,727
Net book value					
December 31, 2019	2,693	3,532	15,024	483,923	505,172
September 30, 2020	82,270	47,796	26,891	454,746	611,703

Buildings includes land with a value of \$36,000 (December 31, 2019, \$36,000) which is not subject to depreciation.

6) Flow-through share premium liability

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On May 29, 2019, the Company completed a strategic financing (Note 8(b)) for gross proceeds of \$17,579,072 through the issuance of 11,489,601 flow-through common shares priced at \$1.53 per flow-through common share. The flow-through shares were issued at a premium of \$0.62 per share.

As at September 30, 2020, the Company has expended \$15,869,727 of the funds from the flow-through offering and therefore has a flow-through share premium liability of \$692,683 (December 31, 2019 - \$2,919,057).

6) Flow-through share premium liability (continued)

Below is a summary of the flow-through financing and the related flow-through share premium liability:

	Shares issued	Flow-through share price \$	Premium per flow-through share \$	Flow-through premium liability \$
May 29, 2019	11,489,601	1.53	0.62	7,123,553

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and expenditures \$	Flow-through premium liability \$
Balance at December 31, 2018	-	-
Flow-through funds raised	17,579,090	7,123,553
Flow-through eligible expenditures	(10,375,609)	(4,204,496)
Balance at December 31, 2019	7,203,481	2,919,057
Flow-through eligible expenditures	(5,494,119)	(2,226,374)
Balance at September 30, 2020	1,709,362	692,683

7) RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2020 and 2019, the Company entered into the following transactions in the ordinary course of business with a related party that is not a subsidiary of the Company.

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
CJ Greig & Associates Ltd.	38,526	1,084,079	798,514	1,628,137

The Company uses CJ Greig & Associates Ltd. ("CJ Greig"), a company controlled by its Vice President, Exploration, for field and office work for its exploration activities. As at September 30, 2020, the balance owing to CJ Greig was \$Nil (December 31, 2019 - \$257,247).

7) RELATED PARTY TRANSACTIONS (continued)

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2020 and 2019 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Directors fees	58,750	47,013	176,250	151,045
Salaries	215,625	34,382	646,875	120,773
Consulting fees	-	5,040	-	52,500
Share-based payments	341,019	542,194	1,059,447	1,301,434
	615,394	628,629	1,882,572	1,625,752

8) SHARE CAPITAL

a) Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Share Issuances

During the nine months ended September 30, 2020, the Company had the following share transactions:

- Issued 2,989,998 common shares for gross proceeds of \$1,424,849 in connection with the exercise of stock options.
- Issued 10,000 common shares with a value of \$10,000 for exploration and evaluation assets.

During the year ended December 31, 2019, the Company had the following share transactions:

- On May 29, 2019, the Company announced it had closed its \$17,579,072 financing and strategic investment by Newmont Corporation ("Newmont"). The financing consisted of a \$17,590,072 private placement of 11,489,601 flow-through common shares (Note 6) priced at \$1.53 per flow-through common share. Pursuant to the financing, Newmont agreed to acquire 11,489,601 common shares as a back-end purchaser. Upon completion of the offering, Newmont owned 9.9% of the Company's outstanding shares. In connection with the financing, the Company paid share issuance costs totaling \$374,297.
- On December 12, 2019, the Company announced it had closed its \$8,252,639 financing and strategic investment by Newmont. The financing consisted of a private placement of 6,877,199 common shares priced at \$1.20 per share for total consideration of \$8,252,639. Upon completion of the offering, Newmont owned 14.9% of the issued and outstanding shares of the Company and 13.55% of the shares of the Company on a diluted basis. In connection with the financing, the Company paid share issuance costs totaling \$80,629.
- Issued 499,999 common shares for gross proceeds of \$226,250 in connection with the exercise of stock options.

8) SHARE CAPITAL (continued)

c) Stock Options

The Company has a Stock Option Plan (the “Plan”) under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

A summary of the Company’s stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance at December 31, 2018	8,296,667	0.53
Granted	4,620,000	0.99
Exercised	(499,999)	0.45
Expired	(110,000)	1.14
Cancelled	(346,667)	1.26
Balance at December 31, 2019	11,960,001	0.68
Granted	1,502,384	1.35
Exercised	(2,989,998)	0.47
Cancelled	(191,668)	1.02
Balance at September 30, 2020	10,280,719	0.84

8) SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable at September 30, 2020 is presented below:

Expiry date	Exercise prices	Options outstanding	Options exercisable
	\$	#	#
November 10, 2021	0.15 – 0.30	2,500,000	2,500,000
January 26, 2023	0.60 – 0.80	1,130,000	1,130,000
June 13, 2023	0.86 – 1.06	1,100,000	1,100,000
March 19, 2024	0.74 – 0.94	1,498,335	929,997
August 30, 2024	1.19 – 1.39	1,200,000	400,000
October 7, 2024	0.92 – 1.12	450,000	150,000
October 11, 2024	0.86 – 1.06	600,000	200,000
November 1, 2024	0.73	300,000	100,000
February 10, 2025	1.35	1,119,384	-
May 6, 2025	1.40	39,000	-
September 16, 2025	1.35	300,000	-
September 28, 2025	1.35	44,000	-
		10,280,719	6,509,997

The weighted average remaining contractual life of options outstanding is 2.97 years.

During the nine months ended September 30, 2020, the Company granted a total of 1,502,384 stock options (2019 – 3,270,000) with a total fair value of \$1,155,548 (2019 – \$2,196,659). The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

	2020	2019
Expected life	5.00 years	5.00 years
Expected volatility	65%	100%
Risk-free rate	1.44%	2.00%
Dividend yield	Nil	Nil
Forfeiture rate	3%	3%

During the nine months ended September 30, 2020 and 2019, the Company recorded \$1,133,847 and \$1,471,138, respectively of share-based payment expense relating to vesting of stock options. During the three months ended September 30, 2020 and 2019, the Company recorded \$356,635 and \$544,098, respectively of share-based payment expense relating to vesting of stock options.

d) Loss per share

All the outstanding share options at September 30, 2020 and 2019 were anti-dilutive for the periods then ended as the Company was in a loss position.

9) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

a) Credit Risk

The Company's primary exposure to credit risk is potential liquidity constraints on cash and cash equivalents amounting to \$9,408,885 at September 30, 2020 (December 31, 2019 - \$15,314,386). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

b) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its financial institution. The Company is not currently exposed to any material interest rate risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

d) Market and Currency Risk

The Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

e) Fair Value of Financial Instruments

The fair values of the Company's financial assets and liabilities approximates their carrying amounts unless otherwise noted. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

9) FINANCIAL INSTRUMENT RISKS (continued)

At September 30, 2020, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the consolidated statement of financial position at fair value on a recurring basis are categorized as follows:

	Category	At September 30, 2020
Cash and cash equivalents	Level 1	\$9,408,885

During the nine months ended September 30, 2020 and 2019, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

10) SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's cash and cash equivalents as at September 30, 2020 comprises \$3,359,394 of cash and \$6,049,491 of cash equivalents (December 31, 2019, \$10,308,895 and \$5,005,491, respectively).

During the nine months ended September 30, 2020, the Company had the following non-cash transactions:

- The Company reclassified \$879,166 from the share-based payment reserve to share capital in connection with stock options exercised.
- The Company issued common shares with a fair value of \$10,000 for exploration and evaluation assets.

There were no non-cash transactions during the nine months ended September 30, 2019.

11) SUBSEQUENT EVENT

On November 2, 2020 the Company announced a fully subscribed non-brokered private placement financing (the "Financing") for total gross proceeds of \$5.7 million. Proceeds of the Financing will be used to fund general working capital and to advance 2021 exploration activities on the Company's 100% owned Tatogga property in northern British Columbia.

The Financing involves the sale of 3.6 million common shares. A total of 2.5 million shares will qualify as flowthrough shares ("FT Shares"), each priced at \$1.75 per share for gross proceeds of up to \$4.4 million, and 1.1 million shares will be common shares, priced at \$1.25 per share for gross proceeds of \$1.4 million.

Participants in the Financing include existing arm's-length GT Gold shareholders, Newmont, and members of the Company's management and board. The terms of the Financing were agreed with arm's-length shareholders. The arm's-length shareholders and Newmont, which has an anti-dilution right (among other rights) dating back to May 2019 pursuant to an investor rights agreement with the Company, will acquire in the aggregate approximately 70% of the common shares to be issued in the Financing.

On completion of the Financing, members of management and Board will own a combined 12.08% of the Company's outstanding common shares, up from 11.54% prior to the placement. Newmont will again attain its 14.9% strategic shareholder position.