

**NEW DIMENSION RESOURCES LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**As at and for the three and nine months ended  
FEBRUARY 29, 2020**

**UNAUDITED**

**(Expressed in Canadian Dollars)**

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of New Dimension Resources Ltd.

New Dimension Resources Ltd's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor

**New Dimension Resources Ltd.****Condensed Interim Consolidated Statements of Financial Position***Expressed in Canadian Dollars**Unaudited**As at*

	Note	February 29, 2020 \$	May 31, 2019 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash		130,008	73,773
Receivables	3	17,416	25,433
Prepaid expenses		22,021	13,516
		169,445	112,722
<b>Non-current</b>			
Exploration and evaluation assets	6	5,831,059	5,591,894
		5,831,059	5,591,894
<b>TOTAL ASSETS</b>		<b>6,000,504</b>	5,704,616
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable, accrued liabilities & other liabilities	4	1,412,837	455,102
Contractual obligation payable	7	539,064	791,504
		1,951,901	1,246,606
<b>Non-current</b>			
Contractual obligation payable	7	1,172,251	1,125,702
		1,172,251	1,125,702
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	14,454,766	14,224,766
Reserves – warrants	8	336,180	336,180
Reserves – options	8	1,479,841	1,413,451
Reserves – foreign currency translation		(510,457)	(476,981)
Accumulated deficit		(12,883,978)	(12,165,108)
		2,876,352	3,332,308
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,000,504</b>	5,704,616
Nature of operations and going concern	1		
Basis of presentation	2		
Subsequent events	13		

APPROVED ON BEHALF OF THE BOARD ON May 31, 2020:

Eric Roth

Director

Glen Parsons

Director

- See accompanying notes to the condensed interim consolidated financial statements -

## New Dimension Resources Ltd.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

Unaudited

For the period ended

	Note	Three months		Nine months	
		Ended February 29, 2020 \$	Ended February 28, 2019 \$	Ended February 29, 2020 \$	Ended February 28, 2019 \$
<b>General and administrative expenses</b>					
Management and administrative fees		119,144	137,445	291,634	458,747
Share-based payments	8	2,272	80,468	66,390	573,217
Salaries and benefits		6,963	40,792	132,296	197,151
Office and general		49,046	22,062	86,033	124,241
Professional fees		22,827	27,873	70,089	87,550
Property investigation costs		787	-	1,097	-
Shareholder information and meetings		21,348	5,847	44,163	67,840
Regulatory and transfer agent fees		1,908	10,430	13,559	23,225
		(224,295)	(324,917)	(705,261)	(1,531,971)
Foreign exchange gain/(loss)		(1,437)	15,313	1,113	45,408
Interest and other income -net	3	22,680	(2,810)	23,554	12,763
Interest and other expense	3 & 4	(10,297)	-	(32,204)	-
Depreciation		-	(9,298)	-	(9,298)
Contractual obligation payable interest	7	(8,037)	(9,599)	(24,109)	(28,797)
Gain on sale of equipment		-	-	18,037	-
		(221,386)	(331,311)	(718,870)	(1,511,895)
<b>Loss for the period</b>					
<b>Other comprehensive gain/(loss)</b>					
Net monetary gain	2	194,029	128,963	674,679	128,963
Foreign currency translation		(96,564)	1,014,183	(708,155)	(447,501)
<b>Comprehensive (loss)/gain for the period</b>					
		(123,921)	811,835	(752,346)	(1,830,433)
<b>Loss per share – basic and diluted</b>					
		\$ (0.00)	(0.01)	(0.01)	(0.03)
<b>Weighted average number of shares outstanding – basic and diluted</b>					
		66,773,832	48,499,732	64,792,811	48,499,732

- See accompanying notes to the condensed interim consolidated financial statements -

**New Dimension Resources Ltd.**

**Condensed Interim Consolidated Statements of Cash Flows**

*Expressed in Canadian Dollars*

*Unaudited*

*For the nine months ended*

	Note	February 29, 2020 \$	February 28, 2019 \$
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Loss for the period		(718,870)	(1,511,895)
Items not affecting cash:			
Share-based payments	8	66,390	573,217
Interest and other	4	11,178	-
Contractual obligation payable interest	7	24,109	28,797
Depreciation		-	9,298
Write off of IVA receivable	3	21,026	-
Foreign exchange		(1,113)	(45,408)
Gain on sale of equipment		(18,037)	-
IVA received	4	(17,914)	-
Changes in non-cash working capital	11	(437,572)	(326,118)
		(195,659)	(1,272,109)
<b>Financing activities</b>			
Loans	4	384,221	-
Financing costs		-	(65,580)
Shares issued/subscribed		-	197,315
		384,221	131,735
<b>Investing activities</b>			
Exploration and evaluation costs		(113,984)	(1,969,491)
IVA received	4	17,914	-
Proceeds from sale of equipment		18,037	-
Acquisition of subsidiaries		-	(311,674)
		(78,033)	(2,281,165)
<b>Change in cash</b>		<b>110,529</b>	<b>(3,421,539)</b>
<b>Effect of fluctuations in exchange rates on cash</b>		<b>(54,294)</b>	<b>(35,523)</b>
<b>Cash – beginning of the period</b>		<b>73,773</b>	<b>3,637,548</b>
<b>Cash – end of the period</b>		<b>130,008</b>	<b>180,486</b>

Supplemental cash flow information

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– See accompanying notes to the condensed interim consolidated financial statements –

## New Dimension Resources Ltd.

### Condensed Interim Consolidated Statement of Shareholders' Equity

Expressed in Canadian Dollars

Unaudited

For the nine months ended

	Share capital (Number of Shares) (i)	Share capital (Amount)	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Reserves- Other	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$	\$
<b>May 31, 2018</b>	<b>48,499,732</b>	<b>13,508,352</b>	<b>322,680</b>	<b>763,297</b>	<b>1,722</b>	<b>-</b>	<b>(9,700,482)</b>	<b>4,895,569</b>
Share-based payments	-	-	-	573,217	-	-	-	573,217
Loss for the period	-	-	-	-	-	-	(1,511,895)	(1,511,895)
Shares issued – net of costs	-	-	-	-	-	-	-	-
Shares to be issued	-	-	-	-	-	197,315	-	197,315
Net monetary gain	-	-	-	-	128,693	-	-	128,693
Foreign currency translation	-	-	-	-	(447,501)	-	-	(447,501)
<b>February 28, 2019</b>	<b>48,499,732</b>	<b>13,508,352</b>	<b>322,680</b>	<b>1,336,514</b>	<b>(316,816)</b>	<b>197,315</b>	<b>(11,212,377)</b>	<b>3,835,668</b>
Share-based payments	-	-	-	650,154	-	-	-	650,154
Loss for the period	-	-	-	-	-	-	-	-
Shares issued – net of costs	13,374,100	701,414	13,500	-	-	(197,315)	-	517,599
Shares issued for exploration and evaluation interests	300,000	15,000	-	-	-	-	-	15,000
Net monetary gain	-	-	-	-	160,652	-	-	160,652
Foreign currency translation	-	-	-	-	(320,817)	-	-	(320,817)
<b>May 31, 2019</b>	<b>62,173,832</b>	<b>14,224,766</b>	<b>336,180</b>	<b>1,413,451</b>	<b>(476,981)</b>	<b>-</b>	<b>(12,165,108)</b>	<b>3,332,308</b>
Share-based payments	-	-	-	66,390	-	-	-	66,390
Shares issued	4,600,000	230,000	-	-	-	-	-	230,000
Loss for the period	-	-	-	-	-	-	(718,870)	(718,870)
Net monetary gain	-	-	-	-	674,679	-	-	674,679
Foreign currency translation	-	-	-	-	(708,155)	-	-	(708,155)
<b>February 29, 2020</b>	<b>66,773,832</b>	<b>14,454,766</b>	<b>336,180</b>	<b>1,479,841</b>	<b>(510,457)</b>	<b>-</b>	<b>(12,883,978)</b>	<b>2,876,352</b>

(i) refer to Note 1 for detail on share consolidation undertaken during the year ended May 31, 2018

–See accompanying notes to the condensed interim consolidated financial statements –

# New Dimension Resources Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

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### 1. Nature of Operations and Going Concern

New Dimension Resources Ltd. (the "Company" or "NDR") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office is at Suite 1020, 625 Howe St, Vancouver V6C 1H2 with the registered address and records office being located at 8681 Clay Street, Mission, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties in Canada and Argentina.

During the year ended May 31, 2018, the Company consolidated its share capital on the basis of 2.5 to 1. All share, per share, stock option, share purchase warrant and other share information has been retroactively presented on a post-consolidated basis.

These unaudited condensed interim consolidated financial statements for the three and nine months ended February 29, 2020 (the "interim financial statements") have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of \$12,883,978 at February 29, 2020 and has no current source of revenue. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations and exploration expenditure. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

Subsequent to end of the financial period, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they are expected to have an impact on our exploration activities, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

### 2. Basis of Presentation

These interim financial statements have been prepared in accordance with *IAS 34 - Interim Financial Reporting*.

The interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2019 (the "Annual Financial Statements"), which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies used in these interim financial statements are consistent with those disclosed in the Annual Financial Statements for the year ended May 31, 2019.

### Approval

These interim financial statements of the Company were approved and authorized for issue by the Board of Directors on May 31, 2020

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 2. Basis of Presentation- continued

##### Hyperinflationary reporting

During the year ended May 31, 2019 and to the period ending February 29, 2020, Argentina was officially considered a hyperinflationary economy, and as a result IAS 29 – *Financial Reporting in Hyperinflationary Economies* (“IAS 29”) was applied with effect from June 1, 2018 to NDR’s subsidiaries Minera Mariana Argentina SA and Sierra Blanca SA, as the standard requires that the financial statements of a subsidiary entity that has the functional currency of a hyper-inflationary economy be restated in accordance with IAS 29 before being included in the consolidated financial statements.

Accordingly, adjustments and reclassifications for the purposes of presentation of IFRS financial statements include restatement, in accordance with changes in general purchasing power of the functional currency (Argentinean pesos), and as a result, are stated in terms of the measuring unit at the end of the reporting period. The measuring unit used is the Wholesale Price Index as published the Government Board of the Argentine Federation of Professional Councils of Economic Sciences (“FACPCE”).

The Wholesale Price Index for each relevant month as published by the FACPCE is detailed below:

Month	Wholesale Price Index	Wholesale price index at reporting period end
Jun-2018	144.81	295.67
Jul-2018	149.30	295.67
Aug-2018	155.10	295.67
Sep-2018	165.24	295.67
Oct-2018	174.15	295.67
Nov-2018	179.64	295.67
Dec-2018	184.26	295.67
Jan-2019	189.61	295.67
Feb-2019	196.75	295.67
Mar-2019	205.96	295.67
Apr-2019	213.05	295.67
May-2019	219.57	295.67
Jun-2019	225.54	295.67
Jul-2019	230.49	295.67
Aug-2019	239.61	295.67
Sep-2019	253.71	295.67
Oct-2019	262.07	295.67
Nov-2019	273.22	295.67
Dec-2019	283.44	295.67
Jan-2020	289.83	295.67
Feb-2020	295.67	295.67

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at February 29, 2020. Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit as at February 29, 2020) are restated by applying the relevant index.

The application of IAS 29 results in an adjustment for the loss of purchasing power of the Argentinean peso. The resulting net monetary loss/gain is derived as the difference resulting from restatement of non-monetary assets and liabilities, equity and items in the Condensed Interim Consolidated Statement of Comprehensive Loss. The net monetary gain of \$674,679; resulting from a net monetary gain of \$659,933 in relation to the restatement of non-monetary assets and liabilities, and a net monetary gain of

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

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#### 2. Basis of Presentation- continued

\$14,746 relating to the restatement of income and expenditure items for the nine months ending February 29, 2020, has been recorded in Other Comprehensive Income for the nine months ending February 29, 2020.

Under IAS 29, if a group with a subsidiary which has a functional currency is hyper-inflationary, there is no requirement to restate previously issued reports, the inflation adjustment is treated as a non-adjusting post-balance sheet event in relation to prior reporting periods, and as a result comparative balances have not been restated for the effect of inflation.

Balances included in the Condensed Interim Consolidated Statement of Cash Flows have been adjusted to reflect the application of IAS 29, and as a result the balances presented in the cash flow will differ from the actual cash flows at the time of the transaction. The requisite Wholesale Price Index has been applied to relevant movements in the period and the resulting impact is reflected in the foreign exchange movement in the Condensed Interim Consolidated Statement of Cash Flows.

#### Principles of Consolidation

The financial statements include the accounts of the Company and its 100% controlled entities as follows:

Entity	Country of Incorporation	Functional Currency
Minera Mariana Argentina S. A.	Argentina	Argentinean Peso
Sierra Blanca S.A.	Argentina	Argentinean Peso
NDR Guernsey Limited	Guernsey	Canadian dollar
NDR Holdings Limited	Guernsey	Canadian dollar
New Dimension Guernsey Limited	Guernsey	Canadian dollar
Mariana International Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar

#### Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local and international support for the projects.



## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 2. Basis of Presentation- continued

##### (ii) Valuation of share-based payments

The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

##### (iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

##### (iv) Non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

##### (v) Functional currency

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its Argentinean subsidiaries is the Argentinean peso and that the functional currency of its other entities, including the parent is the Canadian dollar.

##### (vi) Contractual obligation payable

The Company has a contractual obligation to pay up to \$400,000 per year for a period of up to 15 years to acquire certain assets in Argentina. The Company has assessed the contractual obligation payable for the acquisition of the Argentinean assets as being more likely than not to not continue past 5 years from initial recognition.

##### (vii) Hyperinflation reporting

The application of IAS 29 during the period has required the Company to use judgment in the assessment and classification of items as monetary and non-monetary, and the selection and application of the inflation index used to calculate the net monetary impact in the period with regard to its Argentinean subsidiaries.

#### 3. Receivables

	February 29, 2020	May 31, 2019
	\$	\$
HST/GST receivable	1,088	13,764
Other receivables	16,328	11,669
	<b>17,416</b>	<b>25,433</b>

During the period the Company wrote off IVA receivable of \$21,026. The Company recognises IVA when it is refunded by the Argentinean tax authority. During the period, \$17,914 was refunded to the company by the Argentinean tax authority.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 4. Accounts payable, accrued liabilities and other liabilities

	February 29, 2020	May 31, 2019
	\$	\$
Accounts payable	474,202	147,264
Accrued liabilities	543,236	307,838
Other liabilities (i) & (ii) & (iii)	395,399	-
	<b>1,412,837</b>	<b>455,102</b>

- (i) On August 8, 2019, the Company received a cash injection of \$200,000 by entering into a short-term loan agreement with SSL. The loan and interest of 10% per annum, compounding quarterly, carried an initial 3 month term but may be rolled over by mutual agreement for successive three month periods until such time as payment is made. An additional cash injection of \$115,000 was received from SSL in February 2020 on the same terms as the earlier loan. Interest of \$11,178 has been accrued on the SSL loans for the nine-month period ending February 29, 2020.
- (ii) In July 2019, the Company received an unsecured, interest-free loan, with no pre-set repayment terms of \$30,000 from director E Roth a further \$5,000 in October 2019 and a further \$14,221 in February 2020 on the same terms.
- (iii) In September 2019, the Company received an unsecured, interest-free loan, with no pre-set repayment terms of \$20,000 from director, M. Little

#### 5. Financial Instruments

##### Categories of financial instruments

	February 29, 2020	May 31, 2019
	\$	\$
Financial assets		
FVTPL		
Cash	130,008	73,773
	<b>130,008</b>	<b>73,773</b>
Financial liabilities		
Amortized cost		
Accounts payable, accrued liabilities & other liabilities	1,017,438	455,102
Contractual obligation payable	1,711,315	1,917,206
Loans	395,399	-
	<b>3,124,152</b>	<b>2,372,308</b>

##### Fair value of financial instruments

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

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

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	February 29, 2020	May 31, 2019
	\$	\$
Level 1		
Cash	130,008	73,773
Level 2		
Contractual obligation payable	1,711,315	1,917,206
Other liabilities	395,399	-
Level 3	-	-

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 5. Financial Instruments (continued)

The carrying value of receivables, accounts payable, accrued liabilities, other liabilities, loans and contractual obligation payable approximate their fair value.

#### Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

##### a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are predominantly denominated in US dollars and Argentinean Pesos. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

February 29, 2020	Cash	Receivables	Accounts payable, accrued liabilities & other liabilities
	\$	\$	\$
US dollars	-	-	96,667
Argentinean peso	117,984	2,170	246,487
Australian dollars	-	-	66,253

  

May 31, 2019	Cash	Receivables	Accounts payable, accrued liabilities & other liabilities
	\$	\$	\$
US dollars	-	-	99,491
Argentinean peso	-	-	142,641
Australian dollars	-	-	21,120

At February 29, 2020 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase pre-tax loss by \$28,895 (2019: \$50,187).

##### b) Interest rate and credit risk

The Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at February 29, 2020 and 2019 the Company did not hold any short-term investments or cash equivalents.

Receivables consist of goods and services tax due from the government of Canada. Management believes that the credit risk concentration with respect to receivables is limited.

In August 2019 and February 2020, the Company took out interest-bearing short-term loans with SSL. Refer Note 4.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 5. Financial Instruments (continued)

##### c) Liquidity risk

As at February 29, 2020, the Company had cash of \$130,008 (May 31, 2019 - \$73,773) to settle current liabilities of \$1,951,901 (May 31, 2019 - \$1,246,606). Included in current liabilities is a balance of \$548,857 owing to related parties and a balance of \$539,064 for the contractual obligation payable to SSI.

In order to meet its current and ongoing general and administrative costs the Company will seek additional equity funding or secure alternative financing options. The Company cannot guarantee investor demand for the jurisdiction in which we operate or be successful in raising additional funding or secure financing options for ongoing exploration.

##### d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

#### 6. Exploration and Evaluation Assets

	Las Calandrias Santa Cruz, Argentina	Los Cisnes, Santa Cruz, Argentina	Sierra Blanca, Santa Cruz, Argentina	Savant Lake, Ontario, Canada	Total
	\$	\$	\$	\$	\$
<b>Balance, May 31, 2018</b>	<b>1,723,786</b>	<b>290,793</b>	<b>281,041</b>	<b>1,156,533</b>	<b>3,452,153</b>
Acquisition and tenure	-	-	-	3,375	3,375
Camp, travel, administration and other costs	247,715	62,637	22,452	33,545	366,349
Geologists and data collection	381,835	151,659	25,313	14,738	573,545
Drilling and assay costs	706,413	348,882	-	28,059	1,083,354
<b>Balance February 28, 2019</b>	<b>3,059,749</b>	<b>853,971</b>	<b>328,806</b>	<b>1,236,250</b>	<b>5,478,776</b>
Acquisition and tenure	-	-	-	45,000	45,000
Camp, travel, administration and other costs	30,237	15,200	7,739	22,079	75,255
Geologists and data collection	26,160	24,899	(18,151)	-	32,908
Drilling and assay costs	-	11,447	42,086	(15,961)	37,572
Foreign exchange movement	(50,879)	(25,098)	(1,640)	-	(77,617)
<b>Balance May 31, 2019</b>	<b>3,065,267</b>	<b>880,419</b>	<b>358,840</b>	<b>1,287,368</b>	<b>5,591,894</b>
Camp, travel, administration and other costs	72,919	12,561	11,039	15,621	112,140
Geologists and data collection	182,126	4,687	6,605	-	193,418
Drilling and assay costs	-	-	-	-	-
IAS 29 adjustment - historic	426,266	188,862	11,665	-	626,793
Foreign exchange movement	(470,877)	(208,957)	(13,352)	-	(693,186)
<b>Balance, February 29, 2020</b>	<b>3,275,701</b>	<b>877,572</b>	<b>374,797</b>	<b>1,302,989</b>	<b>5,831,059</b>

Included in the exploration and evaluation additions in Argentina for the nine months ending February 29, 2020 is an IAS 29 adjustment of \$33,140 and an IAS 29 adjustment of \$626,793 recognised on historic balances. A total of \$659,933 has been included as a net monetary gain in Other Comprehensive Income/(Loss) in the Condensed Interim Consolidated Statement of Income or Loss as at February 29, 2020. Refer to Note 2 for further details.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 6. Exploration and Evaluation Assets (continued)

##### *Las Calandrias Santa Cruz, Argentina*

The Company has a 100% interest in the Las Calandrias gold-silver property, subject to a 2% Net Smelter Royalty (“NSR”) payable to SSL and a 0.25% NSR payable to certain employees. Both NSR’s would be payable in the event of future commercial production of gold and/or silver being achieved.

##### *Los Cisnes, Santa Cruz, Argentina*

The Company has a 100% interest in the Los Cisnes gold-silver property, subject to a 2% NSR payable to SSL in the event of future commercial production of gold and/or silver being achieved

##### *Sierra Blanca, Santa Cruz, Argentina*

The Company has a 100% interest in the Sierra Blanca gold-silver property subject to a 2% NSR payable to SSL and a 1.5% NSR payable to IAMGOLD Corporation. Both NSR’s would be payable in the event of future commercial production of gold and/or silver being achieved.

##### *Savant Lake Property, Ontario, Canada*

Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario.

On March 29, 2019, the Company completed the third anniversary cash payment of \$30,000 and issued the balance of NDR shares owing under the terms of the agreement in order to continue to earn into its 100% interest in the Savant Lake property. The Company has met all of its share commitments and has one final cash payment of \$30,000 which will be due on, or before, April 1, 2020 in order to complete the earn-in.

The property is subject to a 2% NSR, of which 1% can be purchased for \$1,000,000.

##### *Domain Project, Manitoba, Canada*

The Domain Project consists of a three mineral claims in northern Manitoba. The Company currently holds a 29.56% interest in the property, with the remaining interest held by Yamana Gold Inc. Capitalized costs related to the property were written off during the year ended May 31, 2013.

#### 7. Contractual Obligation Payable

The Company has a contractual obligation payable of \$1,711,315 in relation to its acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca gold-silver projects in Santa Cruz province, Argentina.

	February 29, 2020	May 31, 2019
	\$	\$
Current	539,064	791,504
Non-current	1,172,251	1,125,702
	<b>1,711,315</b>	<b>1,917,206</b>

The contractual obligation requires the Company to make annual payments of up to \$400,000 per year in either cash or shares until the earlier of:

- December 31, 2032,
- commencement of commercial production,
- expropriation of the properties or
- the Company returns a project in accordance with the terms of the acquisition agreement

Annual payments are due on the anniversary date of the acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca projects, being May 14, 2018. Management has assessed that the contractual obligation period will not extend beyond five years. Management considered the above terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has therefore recognized the net present value of its obligation over five years, using an average discount rate of 2.05%.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

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Expressed in Canadian dollars

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#### 7. Contractual Obligation Payable

The Company was required to deliver to SSL the first annual payment in relation to the contractual obligation of \$400,000 in shares. As agreed with SSL this payment was agreed to be made in 8,000,000 shares at \$0.05. On September 26, 2019 the Company issued 4,600,000 shares as partial payment of the first annual payment, with the balance continuing to be deferred as the issuance of these shares will cause SSL to hold, directly or indirectly, more than 19.9% of the outstanding shares of the Company. The issuance of these shares will be deferred until five Business Days after SSL delivers written notice to the Company that the issuance of such deferred shares will no longer cause SSL to exceed this threshold.

For the nine months ended February 29, 2020 the Company recorded interest expense of \$24,109. (2019:\$28,797) and \$8,037 (2019: \$9,599) for the three months ending February 29, 2020 in relation to the contractual obligation payable.

The Company and SSL are currently in discussions to revise the contractual obligation payable agreement.

#### 8. Share Capital and Reserves

- (i) Authorized share capital  
Unlimited common shares without par value.

##### *Share issuances*

- a) During the year ended May 31, 2018, the Company issued 40,000 common shares with respect to the Company's property option agreement on the Savant Lake property. The shares issued were valued at \$4,400.
- b) During the year ended May 31, 2018, the Company issued 4,972,521 common shares valued at \$0.11 per share with respect to the Company's acquisition of its Argentinean properties.
- c) During the year ended May 31, 2018, in conjunction with the acquisition of its Argentinean properties the Company completed a \$3,825,000 private placement consisted of 34,772,727 shares at a price of \$0.11 per share. Finders fees and costs of \$239,183 were paid in connection with the placement.
- d) During the year ended May 31, 2018, 12,000 shares were issued on the exercise of warrants at a price of \$0.50 per share.
- e) On March 8, 2019, the Company announced the closing of a private placement of 13,374,100 units at \$0.055. Gross proceeds of \$735,575 were received. The units are comprised of one common share and one half of one share purchase warrant. Each warrant is exercisable at \$0.125 per share for an 18-month period and \$0.25 for an additional 18 months. In connection with the placement the Company paid an aggregate fee of \$20,641 and issued 375,300 finders warrants under the same terms and conditions of the unit warrants, to certain persons who introduced subscribers to the Company; and other charges of \$20. The finders' warrants were valued at \$13,500 and were recognized as share issuance cost during the year ended May 31, 2019. All securities issued under the placement were subject to a four month hold period trade restriction expiring on July 9, 2019.
- f) On March 29, 2019 the Company issued 300,000 of NDR shares owing with respect to the Company's Savant Lake project in Ontario, Canada. The shares were valued at \$15,000.
- g) On September 26, 2019 the Company issued 4,600,000 shares to SSL to partially fulfil the first-year annual obligation payment which was due on the anniversary date of acquisition under the original agreement with SSL. Refer to Note 7 for further details.

- (ii) Stock options

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant.

The vesting periods of options outstanding range from immediately to one year and maximum terms of options are set at 5 years from the grant date.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 8. Share Capital and Reserves (continued)

##### a) Movements in stock options during the period:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2018	524,000	\$0.30
Granted	3,350,000	\$0.25
<b>Balance, February 28, 2019</b>	<b>3,874,000</b>	<b>\$0.27</b>
<b>Balance, May 31, 2019</b>	<b>4,084,000</b>	<b>\$0.25</b>
<b>Balance, February 29, 2020</b>	<b>4,084,000</b>	<b>\$0.25</b>

##### b) Fair value of options granted

During the nine months ended February 29, 2020 a total value of \$66,390 (2019: \$573,217) and for the three months ended February 29, 2020 \$2,272 (2019: \$80,468) has been recorded to reserves – options and to share based payments expense. The portion of share-based payments recorded is based on the vesting schedule of the options.

On October 18, 2018 the Company granted an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The fair value of these options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.75%
Expected dividend yield	nil
Expected stock price volatility	216.58%
Expected life	5
Expected forfeiture rate	nil

On June 4, 2018, the Company granted 3,350,000 stock options to directors, officers, employees and consultants at a price of \$0.25 per share for a period of 5 years. The fair value of the options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.75%
Expected dividend yield	nil
Expected stock price volatility	217.79%
Expected life	5
Expected forfeiture rate	nil

##### c) Stock options outstanding

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
282,600	282,600	\$ 0.25	0.25	May 11, 2020
141,400	141,400	\$ 0.38	1.22	May 19, 2021
60,000	60,000	\$ 0.34	2.08	March 27, 2022
3,350,000	3,350,000	\$ 0.25	3.27	June 4, 2023
250,000	187,500	\$ 0.15	3.64	October 18, 2023
<b>4,084,000</b>	<b>4,021,500</b>			

The weighted average exercise price of the options exercisable at February 29, 2020 is \$0.25.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 8. Share Capital and Reserves (continued)

(iii) Share purchase warrants

a) Movements in warrants during the period:

	Warrants Outstanding	Weighted Average Exercise Price
<b>Balance, May 31, 2018</b>	<b>1,287,260</b>	<b>\$0.50</b>
<b>Balance, February 28, 2019</b>	<b>1,287,260</b>	<b>\$0.50</b>
Expired	(1,287,260)	\$0.50
Issued	7,062,350	\$0.125
<b>Balance, May 31, 2019</b>	<b>7,062,350</b>	<b>\$0.125</b>
<b>Balance, February 29, 2020</b>	<b>7,062,350</b>	<b>\$0.125</b>

b) Fair value of finders' warrants issued

On March 8, 2019 the Company issued 375,300 finders' warrants. The fair value of these finders' warrants granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.77%
Expected dividend yield	nil
Expected stock price volatility	244.45%
Expected life	1.5
Expected forfeiture rate	nil

c) Warrants outstanding

The Company issued 7,062,350 warrants (including 375,300 finders' warrants) as part of the private placement completed in March 2019. Each warrant enables the holder to acquire one additional common share at \$0.125 during the first 18 months and \$0.25 thereafter until expiry March 8, 2022. The warrants will be further subject to accelerated expiry terms. Namely, the Company has the right to accelerate expiry of the warrants if the closing price of Company's shares equals or exceeds \$0.25 per common share for 10 consecutive trading days during the first 18 months, or \$0.50 per common share thereafter.

#### 9. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
	\$	\$
Rent	-	4,800
Consulting	205,597	334,081
Salary costs	49,519	117,859
Share-based payments	54,559	464,779



## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

Expressed in Canadian dollars

Unaudited

#### 9. Related Party Transactions (continued)

##### b) Related party balances

	February 29, 2020	May 31, 2019
	\$	\$
ER Global – Eric Roth - Chief Executive Officer (includes expense reimbursement)	256,288	92,648
Genco Professional Services Sharon Cooper – Chief Financial Officer (includes expense reimbursement)	66,253	21,120
Scott Heffernan	26,603	26,603
Mary Little	36,627	16,627
Glen Parsons (includes expense reimbursement)	30,971	26,603
John Wenger	26,603	26,603
Charles Russell	27,083	27,083
Cameron McLean	68,939	3,901
Marketworks Inc Kathryn Witter -Corporate Secretary	9,450	3,177

The Company took out short term loans with SSL totalling \$326,178 (including interest) during the period. Refer to Note 4 for further details.

##### c) Compensation of key management personnel (which includes management and directors)

The remuneration for the services of key management personnel was as follows:

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
	\$	\$
Salary/Exploration/Consulting (i)	255,116	348,340
Share based payments	27,390	247,504

(i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended February 29/28 2020 and 2019.

#### 10. Segmented Information

The Company's business consists of one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

	February 29, 2020	May 31, 2019
	\$	\$
<b>Total Non-current long-lived assets</b>		
Canada	1,302,989	1,287,368
South America	4,528,070	4,304,526
	<b>5,831,059</b>	<b>5,591,894</b>

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 29, 2020

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#### 11. Supplemental Cash Flow Information

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
	\$	\$
<b>Changes in non-cash working capital</b>		
Movement in receivables	8,017	(118,869)
Movement in prepaid expenses	(8,505)	(18,160)
Movement in accounts payable and accrued liabilities	(438,084)	(189,089)
	<b>(437,572)</b>	<b>(326,118)</b>
	\$	\$
<b>Schedule of non-cash investing and financing transactions:</b>		
Exploration and evaluation expenditures included in accounts payable	211,107	107,416
Contractual obligation interest payable	24,109	28,797
Loan payable interest	11,178	-
<b>Supplementary disclosure of cash flow information:</b>		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

#### 12. 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 evaluation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to 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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There have been no changes to the management of capital during the fiscal year. There are no external requirements imposed on the Company regarding its capital management.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company will require additional financings to carry out its exploration and evaluation plans and operations through its current operating period.

## **New Dimension Resources Ltd.**

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

**For the three and nine months ended February 29, 2020**

*Expressed in Canadian dollars*

*Unaudited*

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#### **13. Subsequent events**

##### *Impact of the Coronavirus (COVID-19) outbreak*

Subsequent to end of the financial period, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they are expected to have an impact on our exploration activities, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at February 29, 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 was declared after February 29, 2020, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at February 29, 2020 for the impacts of COVID-19.