



Condensed Consolidated Interim Financial Statements of

WEST VAULT MINING INC.
(formerly West Kirkland Mining Inc.)

For the period ended June 30, 2020
(Expressed in Canadian dollars)

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

The Company's external auditors, Deloitte LLP, have not performed a review of these financial statements.

August 21, 2020

West Vault Mining Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

| | June 30, 2020 | December 31, 2019 |
|--|----------------------|----------------------|
| Assets | | |
| Current: | | |
| Cash | \$ 319,117 | \$ 51,642 |
| Accounts receivable | 67,257 | 45,201 |
| Prepaid expenses and deposits | 20,420 | 23,924 |
| Total current assets | 406,794 | 120,767 |
| Non-current assets: | | |
| Reclamation bond (Note 3) | 223,860 | 210,854 |
| Property and equipment | 4,278 | 8,155 |
| Mineral properties (Note 4) | 44,873,802 | 42,379,795 |
| Total assets | \$ 45,508,734 | \$ 42,719,571 |
| Liabilities and Equity | | |
| Current: | | |
| Accounts payable and accrued liabilities | \$ 110,794 | \$ 217,794 |
| Total current liabilities | 110,794 | 217,794 |
| Non-current liabilities: | | |
| Reclamation provision | 75,394 | 71,853 |
| Total liabilities | \$ 186,188 | \$ 289,647 |
| Equity: | | |
| Share capital (Note 5) | \$ 57,595,007 | \$ 56,629,650 |
| Share based payment reserve (Note 5) | 707,874 | 707,874 |
| Foreign currency translation reserve | 8,183,031 | 6,034,285 |
| Deficit | (22,364,396) | (22,093,543) |
| Total shareholders' equity attributable to the shareholders of West Vault Mining Inc. | \$ 44,121,516 | \$ 41,278,266 |
| Non-controlling interest | 1,201,030 | 1,151,658 |
| Total shareholders' equity | 45,322,546 | 42,429,924 |
| Total liabilities and shareholders' equity | \$ 45,508,734 | \$ 42,719,571 |

Going Concern (Note 1)
Commitments and contingencies (Note 10)
Subsequent Events (Note 11)

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

Approved by the Board of Directors and authorized for issue on August 21, 2020.

/s/ R. Michael Jones
Director

/s/ Kevin Falcon
Director

West Vault Mining Inc.
Consolidated Statements of Loss and Comprehensive Loss (Income)
(Expressed in Canadian dollars)

| | Three months ended June 30, 2020 | Three months ended June 30, 2019 | Six months ended June 30, 2020 | Six months ended June 30, 2019 |
|---|---|--|---|--------------------------------------|
| Expenses | | | | |
| Salaries and benefits | \$ 57,134 | \$ 44,664 | \$ 95,988 | \$ 77,646 |
| Office and general | 20,420 | 13,904 | 38,242 | 33,112 |
| Shareholder relations | 31,224 | 5,081 | 36,224 | 19,480 |
| Professional Fees | 20,672 | 16,434 | 36,174 | 35,651 |
| Filing and transfer agent fees | 25,518 | 19,867 | 33,033 | 30,475 |
| Consulting fees | 16,500 | 16,500 | 33,000 | 33,000 |
| Travel | - | 1,809 | 2,368 | 9,546 |
| Loss before finance and other income | 171,468 | 118,079 | 275,031 | 238,910 |
| Finance and Other Income | | | | |
| Interest income | (1,696) | (5,711) | (4,084) | (12,746) |
| Net loss | \$ 169,771 | \$ 112,638 | \$ 270,946 | \$ 226,164 |
| Item that may be subsequently reclassified to net loss | | | | |
| Exchange differences on translating foreign operations | 1,732,698 | 911,197 | (2,203,571) | 1,820,613 |
| Comprehensive (income) loss for the period | \$ 1,902,469 | \$ 1,023,565 | \$ (1,932,625) | \$ 2,046,777 |
| Loss attributable to: | | | | |
| Shareholders of West Vault Mining | \$ 169,718 | \$ 112,317 | \$ 270,853 | \$ 226,070 |
| Non-controlling interest | 53 | 51 | 93 | 94 |
| Net Loss | \$ 169,771 | \$ 112,368 | \$ 270,946 | \$ 226,164 |
| Comprehensive (income) loss attributable to: | | | | |
| Shareholders of West Vault Mining | \$ 1,741,512 | \$ 1,010,111 | \$ (1,987,543) | \$ 1,952,945 |
| Non-controlling interest | 160,957 | 13,454 | 54,981 | 93,832 |
| Comprehensive (Income) Loss | \$ 1,902,469 | \$ 1,023,565 | \$ (1,932,625) | \$ 2,046,777 |
| Basic and diluted loss per share | \$ 0.00 | \$ 0.00 | \$ 0.01 | \$ 0.01 |
| Weighted average number of common shares outstanding: | | | | |
| Basic and diluted | 42,514,172 | 40,867,298 | 42,321,787 | 40,856,560 |

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

West Vault Mining Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

| | <u>Share Capital</u> | | Warrant Reserve | Share Based Payment Reserve | Foreign Currency Translation Reserve | Deficit | Attributable to the Shareholders of the Parent Company | Non-Controlling Interest | Total |
|--|----------------------|----------------------|-----------------|-----------------------------|--------------------------------------|------------------------|--|--------------------------|----------------------|
| | Number | Amount | | | | | | | |
| Balance at December 31, 2018 | 40,846,838 | \$ 56,616,352 | \$ 4,418,817 | \$ 1,185,845 | \$ 8,122,346 | \$ (25,502,797) | \$ 44,840,563 | \$ 920,060 | \$ 45,760,623 |
| Share issuance – water rights (Note 5) | 20,459 | 13,298 | - | - | - | - | 13,298 | - | 13,298 |
| Expired stock options | - | - | - | (477,971) | - | 477,971 | - | - | - |
| Expired warrants | - | - | (4,418,817) | - | - | 4,418,817 | - | - | - |
| Contributions for project costs | - | - | - | - | - | - | - | 136,005 | 136,005 |
| Other comprehensive loss | - | - | - | - | (1,726,875) | - | (1,726,875) | (93,738) | (1,820,613) |
| Net loss | - | - | - | - | - | (226,070) | (226,070) | (94) | (226,164) |
| Balance June 30, 2019 | 40,867,297 | \$ 56,629,650 | \$ - | \$ 707,874 | \$ 6,395,471 | \$ (20,832,079) | \$ 42,900,916 | \$ 962,233 | \$ 43,863,149 |
| Contributions for project costs | - | - | - | - | - | - | - | 143,861 | 143,861 |
| Other comprehensive income | - | - | - | - | (361,186) | - | (361,186) | 47,569 | (313,617) |
| Net loss | - | - | - | - | - | (1,261,464) | (1,261,464) | (2,005) | (1,263,469) |
| Balance December 31, 2019 | 40,867,297 | \$ 56,629,650 | \$ - | \$ 707,874 | \$ 6,034,285 | \$ (22,093,543) | \$ 41,278,266 | \$ 1,151,658 | \$ 42,429,924 |
| Share issuance – private placement | 1,667,333 | 1,000,400 | - | - | - | - | 1,000,400 | - | 1,000,400 |
| Share issuance costs | - | (35,043) | - | - | - | - | (35,043) | - | (35,043) |
| Contributions for project costs | - | - | - | - | - | - | - | 104,290 | 104,290 |
| Other comprehensive loss | - | - | - | - | 2,148,746 | - | 2,148,746 | (54,825) | 2,093,921 |
| Net Loss | - | - | - | - | - | (270,853) | (270,853) | (93) | (270,946) |
| Balance June 30, 2020 | 42,534,630 | \$ 57,595,007 | \$ - | \$ 707,874 | \$ 8,183,031 | \$ (22,364,396) | \$ 44,121,516 | \$ 1,201,030 | \$ 45,322,546 |

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

West Vault Mining Inc.
Consolidated Statements of Cash flows
(Expressed in Canadian dollars)

| | Six months ended June 30, 2020 | Six months ended June 30, 2019 |
|---|-----------------------------------|-----------------------------------|
| Cash flows provided by (used in): | | |
| Operating activities | | |
| Net loss | \$ (270,946) | \$ (226,164) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (707) | (17) |
| Prepaid expenses and other | 34,345 | 4,579 |
| Accounts payable and accrued liabilities | (109,377) | 38,837 |
| Net cash used in operating activities | \$ (346,685) | \$ (182,765) |
| Investing activities | | |
| Expenditures on mineral properties (Note 4) | \$ (426,785) | \$ (604,562) |
| Net cash used in investing activities | \$ (426,785) | \$ (604,562) |
| Financing Activities | | |
| Issuance of share capital | \$ 1,000,400 | \$ - |
| Share issuance costs | (35,043) | - |
| Cash contributions from non-controlling interest | 84,861 | 77,409 |
| Net cash received from financing activities | \$ 1,050,218 | \$ 77,409 |
| Increase (Decrease) in cash | \$ 276,748 | \$ (709,918) |
| Effect of exchange rate changes on cash denominated in a foreign currency | (9,273) | (15,455) |
| Cash, beginning of period | \$ 51,642 | \$ 1,505,400 |
| Cash, end of period | \$ 319,117 | \$ 780,027 |
| Supplemental disclosure of cash flow information | | |
| Non-cash activities: | | |
| Depreciation capitalized to mineral properties | \$ 4,278 | \$ 4,100 |
| Decrease in trade and other payables related to mineral properties | 32,836 | 99,013 |

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

West Vault Mining Inc.

Notes to the condensed consolidated interim financial statements

Period ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

1. Nature of Operations and Continuance of Operations

West Vault Mining Inc. (formerly West Kirkland Mining Inc.) (“West Vault” or the “Company”) was incorporated on April 3, 2007, under the Company Act of the Province of British Columbia, Canada. The Company was a capital pool corporation, and on May 28, 2010, completed its Qualifying Transaction as that term is defined in TSX Venture Exchange Policy 2.4. On June 25, 2020 the Company’s shareholders approved the Company’s name change from West Kirkland Mining Inc to West Vault Mining Inc. These consolidated financial statements reflect the financial position, financial performance and cash flows of the Company’s legal subsidiaries, WK Mining Corp. (“WKM Corp.”), WK Mining (USA) Ltd. (“WK USA Ltd.”) and WK-Allied Hasbrouck LLC (“Hasbrouck LLC”).

The Company is an exploration and development company working on mineral properties it has staked or acquired in Nevada. The Company’s flagship project is the 75% owned Hasbrouck & Three Hills properties (together the “Hasbrouck Project”). An updated pre-feasibility study and declaration of reserves was completed for the Hasbrouck Project in September 2016. The Company defers all acquisition, exploration and development costs related to the properties on which it is conducting exploration. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary permitting and financing to complete the development of the interests, and future profitable production, or alternatively, upon the Company’s ability to dispose of its interests on a profitable basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the period, the Company incurred a loss of \$0.3 million and from inception to June 30, 2020 the Company has incurred cumulative losses of approximately \$22.3 million, which may cast significant doubt regarding the Company’s ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company; however, there is no certainty that such funds will be available at terms acceptable to the Company. These material uncertainties could cast significant doubt upon the Company’s ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Various lockdowns and social distancing measures are being and continue to be implemented in British Columbia and Nevada. These measures could slow the permitting process and further development at the Hasbrouck Project. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including development at the Hasbrouck Project, can not be reasonably estimated at this time. The pandemic could have material adverse impacts on our business, liquidity, results of operations and financial position in 2020.

2. Statement of Compliance and Basis of Presentation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2019.

3. Reclamation Bonds

The Company’s US subsidiaries, WK USA Ltd. and Hasbrouck LLC have posted total statewide bonds of US\$158,851 to the Bureau of Land Management (“the BLM”), while WKM USA Ltd, has also posted a bond

West Vault Mining Inc.

Notes to the condensed consolidated interim financial statements

Period ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

to the Division of Oil, Gas and Mining of Utah (“DOGM”) for disturbance of ground required to complete exploration work on the formerly held TUG property for US\$5,414 (including interest). Amounts are converted to Canadian dollars as follows:

| At June 30, 2020: | BLM – Nevada | | DOGM - Utah | |
|-------------------|--------------|------------|-------------|----------|
| | USD | CAD | USD | CAD |
| WK USA Ltd. | \$ 37,921 | \$ 51,679 | \$ 5,414 | \$ 7,378 |
| Hasbrouck LLC | 120,930 | 164,803 | - | - |
| Total | \$ 158,851 | \$ 216,482 | \$ 5,414 | \$ 7,378 |

| At December 31, 2019: | BLM – Nevada | | DOGM - Utah | |
|-----------------------|--------------|------------|-------------|----------|
| | USD | CAD | USD | CAD |
| WK USA Ltd. | \$ 37,921 | \$ 49,252 | \$ 5,414 | \$ 7,032 |
| Hasbrouck LLC | 119,010 | 154,570 | - | - |
| Total | \$ 156,931 | \$ 203,822 | \$ 5,414 | \$ 7,032 |

Bond amounts posted with DOGM are expected to be returned to the Company once reclaimed areas at TUG are inspected and approved.

4. Mineral Properties

The Company’s flagship project is the Hasbrouck Project, which was purchased in April 2014 (see details below). In September 2016 the Hasbrouck Project was placed into Hasbrouck LLC, a limited liability corporation. Since then the management and operation of the project has been conducted pursuant to the terms and conditions of a limited liability agreement (the “LLC Agreement”) between WKM USA Ltd. and 25% owner Clover Nevada LLC, a wholly owned USA subsidiary of Waterton Precious Metals Fund (“Waterton”). Subsequent to period end, the Company purchased the 25% project interest owned by Clover Nevada LLC, (see subsequent events for further details).

All costs incurred at the Hasbrouck Project prior to September 2016, including the Company’s acquisition costs and all expenditures on 100% owned Company lands which are held outside of Hasbrouck LLC (including the Company’s 100% owned 1.1% Net Smelter Return (“NSR”) royalty on the Hasbrouck Project), are presented separately in the table below:

West Vault Mining Inc.

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Period ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

| | Pre September 1, 2016 | Post September 1, 2016 | | Total |
|--------------------------------|---|---|---|------------------------|
| | <u>Hasbrouck Project Expenditures</u> | <u>Non – Hasbrouck LLC Expenditures</u> | <u>Hasbrouck LLC Expenditures</u> | |
| Balance December 31, 2019 | \$ 33,434,747 | \$ 4,692,671 ¹ | \$ 4,252,378 | \$ 42,379,795 |
| Permitting | - | 23,310 | 224,334 | 247,644 |
| Salaries and wages | - | - | 135,624 | 135,624 |
| Land holding costs | - | - | 13,628 | 13,628 |
| Other | - | - | 8,793 | 8,793 |
| Foreign exchange movement | 1,647,539 | 231,237 | 209,541 | 3,088,318 ² |
| Total June 30, 2020 | \$ 35,082,286 | \$ 4,947,248 | \$ 4,844,298 | \$ 44,873,802 |
| Balance December 31, 2018 | \$ 35,118,326 | \$ 5,778,846 | \$ 3,311,303 | \$ 44,208,475 |
| Permitting | - | 26,410 | 570,598 | 597,008 |
| Salaries and wages | - | - | 269,763 | 269,763 |
| Land holding costs | - | 99,744 | 246,084 | 345,828 |
| Other | - | 17,802 | 13,374 | 31,176 |
| Write down deferred costs | - | (999,463) | - | (999,463) |
| Foreign exchange movement | (1,683,579) | (230,668) | (158,744) | (2,072,992) |
| Total December 31, 2019 | \$ 33,434,747 | \$ 4,692,671 | \$ 4,252,378 | \$ 42,379,795 |

¹ Balance includes \$4.4 million in TUG costs exchanged for the Hasbrouck royalty and \$0.2 million in lease payments for the Hill of Gold

² The capitalized costs of the Hasbrouck Project are denominated in US dollars and must be translated to Canadian dollars at the respective period end rate. The US dollar appreciated by 5% relative to the Canadian dollar between December 31, 2019 and June 30, 2020.

(a) Hasbrouck LLC

On January 24, 2014, the Company signed a purchase agreement (the "Hasbrouck PA") with Allied Nevada Gold Corp. ("ANV") to acquire a 75% interest in ANV's Hasbrouck Project. The Company made a non-refundable US\$500,000 cash deposit upon execution of the letter agreement and an additional US\$19.5 million payment on April 23, 2014 at which time the Company's purchase of a 75% interest in the properties was completed.

On March 10, 2015, ANV announced that it had filed for Chapter 11 bankruptcy protection in the U.S. and was implementing a financial restructuring of its debt. On June 19, 2015, Waterton acquired all of ANV's exploration properties and related assets (including ANV's remaining 25% interest in the Hasbrouck Project and excluding ANV's Hycroft operation) for US\$17.5 million. The bankruptcy of ANV and subsequent acquisition of the 25% interest in the Hasbrouck Project by Waterton did not alter the Company's legal rights or interests in the Hasbrouck Project.

As required by the Hasbrouck PA, 100% title to the mineral rights underlying the Hasbrouck Project has been transferred into a limited liability corporation, Hasbrouck LLC, for ownership and operating purposes. Effective September 1, 2016, the Company transferred a 25% interest in Hasbrouck LLC to Waterton and retained the remaining 75% interest. (Subsequent to period end, the Company has purchased Waterton's 25% interest. See Subsequent Events for further details). Up to June 30, 2020 Waterton was required to fund their 25% share of expenditures for Hasbrouck LLC incurred subsequent to September 1, 2016. To

West Vault Mining Inc.

Notes to the condensed consolidated interim financial statements

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(Unaudited - expressed in Canadian dollars)

date, Waterton has funded their share of expenditures. At June 30, 2020 the Company has recorded in accounts receivable an amount of \$59,807 (US\$43,885) representing Waterton's 25% share of Hasbrouck LLC expenses from April 1, 2020 to June 30, 2020 (December 31, 2019 \$38,956 (US\$29,994)). The receivable from Waterton has been paid subsequent to period end.

The transfer of rights into Hasbrouck LLC and the execution of the LLC Agreement has not altered or affected the existing royalty structure on the Hasbrouck Project, being approximately an aggregate 3.5% over the claims hosting the Hasbrouck Project's proven and probable reserves. (More details in (b) below.)

(b) Non-Hasbrouck LLC Properties and Royalties

The Company itself holds royalties over the Hasbrouck Project and properties in the immediate area adjacent to the Hasbrouck Project which are held as possible sources of heap leach ore to augment the Hasbrouck Project. These adjacent properties are not currently expected to become stand-alone future operations. These properties and royalties, as detailed below, are held 100% by the Company and are not included, owned or covered in Hasbrouck LLC:

1.1% Hasbrouck Royalty

In May 2017 the Company purchased an existing 1.1% NSR royalty on the Hasbrouck Project, plus the rights to US\$1.0 million in payments due upon commercial production at the Hasbrouck Project. The Company traded its former property TUG for this royalty. This 1.1% royalty is a component of the total 3.5% NSR royalty existing on the property and is 100% owned by the Company.

Hill of Gold Property

On November 29, 2016 the Company announced that it had signed a ten-year Mineral Lease and Option to Purchase Agreement (the "HOG Lease") for a 100% interest in the Hill of Gold property near Tonopah, Nevada. The Hill of Gold property is located midway between the Three Hills and the Hasbrouck properties. The HOG Lease terms allow for mining and involve annual lease payments as pre-payments on a 2% NSR royalty of US\$25,000 for the first three years and thereafter US\$30,000 per year, with the option of buying the mining claims and royalty for US\$500,000 at any time during the lease term. The lease is for 25 mining claims on approximately 500 acres of unpatented land. The most recent lease payment of US\$30,000 was paid when due in November 2019.

5. Share Capital

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

On June 29, 2020, the Company completed a consolidation of its common shares on the basis of one new share for ten old shares (1:10). All share numbers in these financial statements are presented on a post consolidation basis. At June 30, 2020 the Company had 42,534,630 shares outstanding.

Subsequent to period end, on August 13, the Company closed both a brokered private placement and a non-brokered private placement, both at a subscription price of \$1.15 per common share, issuing 5,520,000 and 8,855,000 million shares respectively, (see Subsequent Events for further details).

On January 21, 2020, the Company closed a non-brokered private placement of 1,667,333 shares at a price of \$0.60 per share for gross proceeds of \$1,000,400. Finders fees, legal and exchange fees of \$35,043 were incurred.

On April 5, 2019 the Company issued 20,458 common shares (worth US\$10,000) to Liberty Moly in consideration for leased water rights on the Hasbrouck Project.

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Warrant Reserve

In 2014, the Company issued 22,094,083 warrants (on a post share consolidation basis). Each warrant was exercisable for one common share at a price of \$3.00 at any time prior to April 17, 2019. The \$4,418,817 fair value of these warrants was estimated using the relative fair value method using the share price on the date of issue of the shares and the warrant price from the first day of public trading. These warrants expired during fiscal 2019 and their value was transferred to retained earnings.

Share based payment reserve

The Company established a stock option plan (the "Plan") on May 1, 2007, whereby options can be granted to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding.

The following table summarizes the Company's outstanding share options:

| Exercise Price | Number Outstanding at June 30, 2020 | Weighted Average Remaining Contractual Life (Years) | Number Exercisable at June 30, 2020 |
|-----------------------|--|--|--|
| \$1.10 | 345,000 | 1.52 | 345,000 |
| \$1.00 | 340,000 | 0.78 | 340,000 |
| \$0.60 | 712,500 | 2.78 | 712,500 |
| | 1,397,500 | 1.98 | 1,397,500 |

The weighted average remaining contractual life of the options outstanding at June 30, 2020 is 1.98 years.

The following table summarizes the Company's share-based payment reserve:

| | |
|----------------------------------|---------------------|
| Balance December 31, 2018 | \$ 1,185,845 |
| Share options expired | (477,971) |
| Balance December 31, 2019 | 707,874 |
| Balance June 30, 2020 | 707,874 |

During the previous fiscal year, 557,500 stock options expired at a fair value of \$477,971. The fair value of these options was transferred from share-based payment reserve to deficit.

| | Number | Weighted average exercise price |
|--------------------------|------------------|--|
| December 31, 2018 | 1,955,000 | \$1.00 |
| Cancelled | (557,500) | \$1.50 |
| December 31, 2019 | 1,397,500 | \$0.80 |
| June 30, 2020 | 1,397,500 | \$0.80 |

The weighted average exercise price for the outstanding and exercisable share purchase options at June 30, 2020 is \$0.80.

6. Capital Risk Management

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued share capital, reserves and accumulated deficit.

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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, issue new debt and acquire or dispose of mineral rights.

As at June 30, 2020 the Company does not have any long-term debt and is not subject to any externally imposed capital requirements.

7. Financial Risk Management

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

(a) Fair Value

As at June 30, 2020 the Company's financial instruments consist of cash, accounts receivable, reclamation bonds, accounts payable and accrued liabilities. The fair values of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments and the fair value of the reclamation bonds approximates their fair value due to the fact they earn interest at rates approximating market rates.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the short-term interest rates through the interest earned on cash balances; however, management does not believe this exposure is significant.

(c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions and accounts receivable. The Company believes this credit risk is insignificant.

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company operates in Canada and the United States and is therefore exposed to foreign currency risk arising from transactions denominated in U.S. dollars. Certain amounts of the Company's accounts payable and accrued liabilities are denominated in U.S. dollars. A 10% change in the exchange rate between the Canadian and United States dollar would have an effect on the loss before income taxes as at June 30, 2020 of approximately \$385 (December 31, 2019, \$4,424). The Company monitors its net exposure to foreign currency fluctuations and adjusts its cash held in U.S. dollars accordingly. The following table lists the Canadian dollar equivalent of financial instruments and other current assets denominated in U.S. dollars as of June 30, 2020:

| | June 30, 2020 | December 31, 2019 |
|--|---------------|-------------------|
| Cash | \$ 4,514 | \$ 31,542 |
| Accounts receivable | 59,087 | 38,956 |
| Prepaid expenses and other | 12,674 | 1,688 |
| Reclamation bond | 233,860 | 210,854 |
| Accounts payable and accrued liabilities | 34,396 | 39,769 |

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(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operation period.

8. Segmented Information

The Company operates in one segment being the exploration and development of mineral properties in Nevada. The Company operates in two geographical areas being Nevada and Canada. All of the Company's non-current assets are held in Nevada.

9. Related Party Transactions

The Company paid remuneration for the following items with companies related by way of directors in common:

| | 3 months ended June 30, 2020 | 3 months ended June 30, 2019 | 6 months ended June 30, 2020 | 6 months ended June 30, 2019 |
|---|---|------------------------------------|---|------------------------------------|
| General Administration | \$ 6,000 | \$ 6,000 | \$ 12,000 | \$ 12,000 |
| Accounting fees | 12,000 | 12,000 | 24,000 | 24,000 |
| Rent | 6,282 | 6,282 | 12,564 | 12,564 |
| Directors Fees | 34,250 | 27,953 | 49,250 | 42,953 |
| Total Related Party Transactions | \$ 58,532 | \$ 52,235 | \$ 97,814 | \$ 91,517 |

For the six month period ended June 30, 2020 the Company accrued and paid \$12,000 (June 30, 2019 - \$12,000) for day-to-day administration, reception and secretarial services and \$24,000 (June 30, 2019 - \$24,000) for accounting services; and \$12,564 (June 30, 2019 - \$12,564) for rent to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. Amounts payable at period end include an amount of \$9,044 payable to Platinum Group Metals Ltd. (December 31, 2019 \$36,234).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

10. Commitments and Contingencies

To acquire certain other mineral property interests or to continue to hold current properties in Nevada the Company must make optional acquisition and exploration expenditures in order to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert to the property vendors. For details of the Company's mineral property acquisitions and optional expenditure commitments see Note 4. The Company has no other identified commitments or contingencies.

11. Subsequent Events

On August 13, 2020 the Company closed a sale and purchase agreement with Waterton, first announced on July 22, 2020, whereby the Company consolidated 100% ownership of the Hasbrouck Project. To acquire Waterton's 25% interest in the Hasbrouck Project, the Company paid Waterton US\$10 million in cash and issued 1.0 million common shares worth \$1.3 million based on the share price at the time of issuance. The transaction was subject to the completion of a concurrent financing by the Company (see below). In the event of a change of control of the Company, or if the Company sells substantially all of the Hasbrouck Project within six, twelve or eighteen months from the closing of the transaction, Waterton will be entitled to a cash payment calculated as a declining percentage of the consideration received in excess of US\$50 million at a rate of 25%, 12.5% or 6.25% respectively.

West Vault Mining Inc.

Notes to the condensed consolidated interim financial statements

Period ended June 30, 2020 and 2019

(Unaudited - expressed in Canadian dollars)

On August 12 and August 13, 2020 the Company closed a non-brokered private placement and a brokered private placement, first announced on July 22, 2020, to raise an aggregate C\$16.5 million. Both financings were priced at \$1.15 per common share. The non-brokered private placement consisted of 8,855,000 common shares placed with two major shareholders for gross proceeds of \$10,183,250, while the brokered private placement consisted of 5,520,000 common shares for gross proceeds of \$6,348,000. Total commissions of \$380,880 were paid in cash on the brokered private placement, along with 331,200 broker warrants issued to the Company's agents. Each warrant is eligible to purchase one common share for \$1.15 over a two-year period commencing August 13, 2020.