ARIZONA METALS CORP.

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

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

Explanatory note

The purpose of this amendment is to restate and amend previously issued financial statements. In January 2020, it was determined that the Company had underaccrued for its exploration and evaluation expenditures, professional fees and share-based payments as at June 30, 2020, which resulted in an overstatement of exploration and evaluation expenditures, professional fees and share-based payments for the three months ended September 30, 2020. There are no changes to the Company's liabilities as at September 30, 2020 and net loss and comprehensive loss for the nine months ended September 30, 2020.

ARIZONA METALS CORP.

Amended and Restated Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at September 30, 2020 As restated (note 11)	As at December 31, 2019
ASSETS		
Current assets		
Cash	**$ 4,007,530**	$ 1,611,891
Sales tax recoverable	**35,740**	87,283
Prepaid expenses	**759,142**	569,577
Total current assets	**4,802,412**	2,268,751
Non-current assets		
Reclamation bond (note 7)	**149,884**	57,344
Total assets	**$ 4,952,296**	$ 2,326,095
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	**$ 185,530**	$ 117,916
Total liabilities	**185,530**	117,916
Shareholders' equity		
Share capital (note 4)	**14,674,222**	7,622,591
Reserves (notes 5 and 6)	**5,090,348**	3,104,608
Accumulated deficit	**(14,997,804)**	(8,519,020)
Total shareholders' equity	**4,766,766**	2,208,179
Total liabilities and shareholders' equity	**$ 4,952,296**	$ 2,326,095

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 10)
Subsequent events (note 12)

ARIZONA METALS CORP.

Amended and Restated Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended September 30, 2020 As restated (Note 11)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating expenses				
Salaries and benefits (note 8)	**$ 75,732**	$ 71,284	**$ 247,082**	$ 151,247
Exploration and evaluation expenditures (note 7)	**2,078,451**	120,021	**4,829,906**	1,960,956
Office and general	**61,570**	82,581	**247,309**	120,240
Professional fees (note 8)	**(18,918)**	117,930	**116,496**	141,938
Business development	**126,964**	-	**126,964**	-
Share-based payments (notes 5 and 8)	**24,306**	-	**874,513**	467,071
Filing fees	**3,361**	-	**36,514**	6,965
Listing expenses (note 3)	**-**	510,489	**-**	734,525
Net loss and comprehensive loss for the period	**$ (2,351,466)**	$ (902,305)	**$ (6,478,784)**	$ (3,582,942)
Basic and diluted net loss per share	**$ (0.04)**	$ (0.02)	**$ (0.11)**	$ (0.09)
Weighted average number of common shares outstanding	**64,388,186**	45,426,883	**58,245,808**	38,375,684

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

ARIZONA METALS CORP.

Amended and Restated Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Share capital	Reserves	Accumulated deficit	Total
Balance, December 31, 2018	**$ 3,431,482**	**$ 1,202,295**	**$ (4,258,411)**	**$ 375,366**
Private placement (note 4(b))	3,799,520	-	-	3,799,520
Share issuance costs	(571,380)	89,443	-	(481,937)
Warrant valuation	(1,032,547)	1,032,547	-	-
Issuance of shares, options and warrants pursuant to RTO (note 3)	1,270,002	91,401	-	1,361,403
Exploration share-based payment (note 7)	600,000	-	-	600,000
Share-based payments (note 5)	-	467,071	-	467,071
Net loss for the period	-	-	(3,582,942)	(3,582,942)
Balance, September 30, 2019	**$ 7,497,077**	**$ 2,882,757**	**$ (7,841,353)**	**$ 2,538,481**

	Share capital	Reserves	Accumulated deficit	Total
Balance, December 31, 2019	**$ 7,622,591**	**$ 3,104,608**	**$ (8,519,020)**	**$ 2,208,179**
Private placements (note 4(b))	8,415,500	-	-	8,415,500
Share issuance costs	(770,365)	155,400	-	(614,965)
Warrant valuation	(1,078,553)	1,078,553	-	-
Stock options exercised (note 5)	131,240	(39,240)	-	92,000
Warrants exercised (note 6)	353,809	(83,486)	-	270,323
Share-based payments (note 5)	-	874,513	-	874,513
Net loss for the period	-	-	(6,478,784)	(6,478,784)
Balance, September 30, 2020 - As restated (note 11)	**$ 14,674,222**	**$ 5,090,348**	**$ (14,997,804)**	**$ 4,766,766**

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

ARIZONA METALS CORP.

Amended and Restated Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating activities		
Net loss for the period	**$ (6,478,784)**	$ (3,582,942)
Adjustments for:		
Exploration share-based payment (note 7)	**-**	600,000
Share-based payments (note 5)	**874,513**	467,071
Listing expense (note 3)	**-**	532,457
Changes in non-cash working capital items:		
Accounts receivable	**51,543**	(51,867)
Prepaid expenses	**(189,565)**	(42,024)
Accounts payable and accrued liabilities	**67,614**	6,183
Reclamation bond	**(92,540)**	-
Net cash used in operating activities	**(5,767,219)**	(2,071,122)
Investing activities		
Cash acquired on RTO (note 3)	**-**	825,530
Net cash provided by investing activities	**-**	825,530
Financing activities		
Proceeds from private placements share issuance (note 4)	**8,415,500**	3,799,520
Share issuance costs (note 4)	**(614,965)**	(481,937)
Proceeds from exercise of stock options (note 5)	**92,000**	-
Proceeds from exercise of warrants (note 6)	**270,323**	-
Net cash provided by financing activities	**8,162,858**	3,317,583
Net change in cash	**2,395,639**	2,071,991
Cash, beginning of period	**1,611,891**	406,333
Cash, end of period	**$ 4,007,530**	$ 2,478,324

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

1. Nature of operations and going concern

Arizona Metals Corp., formerly Ring The Bell Capital Corp. ("AMC" or the "Company") was incorporated under the Canada Business Corporations Act on June 28, 2017. The Company's head office, principal address and registered and records office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. The Company completed its Initial Public Offering on March 6, 2018 and is classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V").

On August 1, 2019, the Company completed a reverse take-over transaction ("RTO") with Croesus Gold Corp. ("Croesus") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus. As a result of the share exchange, Croesus is considered to have control. While the Company is the legal acquirer, the accounting acquirer is Croesus and these financial statements are consolidated and presented with Croesus as the continuing entity. Concurrent with the RTO, the Company changed its name to Arizona Metals Corp. and began trading on the TSX-V under the symbol "AMC". On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF".

AMC is a Canadian exploration company focused on precious metal exploration in the United States. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any deposits, nor has it earned any income.

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

AMC is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of $4,616,882 at September 30, 2020 (December 31, 2019 - $2,150,835). For the nine months ended September 30, 2020, the Company had a net loss of $6,478,784 (nine months ended September 30, 2019 - $3,582,942), and had cash outflows from operations of $5,767,219 (nine months ended September 30, 2019 - $2,071,122). These material uncertainties cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

(Expressed in Canadian Dollars)

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2019 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of January 20, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2019.

3. Reverse take-over

On August 1, 2019, the Company acquired all the issued and outstanding shares of Croesus. The transaction is intended to serve as the Company's Qualifying Transaction pursuant to the policies of the TSX-V. Prior to closing, Croesus had 37,708,400 common shares and 7,100,000 options outstanding. Immediately before closing, the Company affected a 2.5-to-1 stock consolidation. The Company's shares were then exchanged for the shares of Croesus on a 1:1 basis.

The acquisition constitutes an asset acquisition as the Company did not meet the definition of a business, as defined in IFRS 3 - Business Combinations. Additionally, as a result of the RTO, the statement of financial position has been adjusted for the elimination of the Company's share capital, reserves and deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $532,457 has been recorded. This reflects the difference between the estimated fair value of consideration given less the fair value of the net assets acquired.

The allocation of estimated fair value of consideration given is as follows:

Fair value of net assets acquired		
Cash	$	**825,530**
Accounts receivable		**3,416**
Listing expenses		**532,457**
	$	**1,361,403**

Consideration given		
5,080,008 common shares	$	**1,270,002**
400,000 stock options		**42,652**
320,000 compensation warrants		**48,749**
	$	**1,361,403**

During the nine months ended September 30, 2019, the Company also incurred cash listing expenses of $202,068 for aggregate listing expenses of $734,525.

(Expressed in Canadian Dollars)

4. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2018	**32,050,000**	**$ 3,431,482**
Private placements (i)(ii)	10,413,400	3,799,520
Share issuance costs (i)(ii)	-	(571,380)
Warrant valuation	-	(1,032,547)
Exploration share-based payments (note 7)	2,000,000	600,000
Shares issued on RTO (note 3)	5,080,008	1,270,002
Balance, September 30, 2019	**49,543,408**	**$ 7,497,077**
Balance, December 31, 2019	**49,855,368**	**$ 7,622,591**
Private placements (iii)(iv)	14,041,000	8,415,500
Share issuance costs (iii)(iv)	-	(770,365)
Warrant valuation (iv)	-	(1,225,893)
Warrants exercised	544,557	353,809
Stock options exercised	368,000	131,240
Balance, September 30, 2020	**64,808,925**	**$ 14,526,882**

(i) During January-March 2019, the Company closed private placements whereby the Company issued a total of 3,658,400 common shares at $0.30 per share for aggregate proceeds of $1,097,520. Cash issuance cost was $69,627.

(ii) On June 27, 2019, the Company completed a private placement of aggregate 6,755,000 subscription receipts ("Subscription Receipts") at a price of $0.40 per Subscription Receipt for aggregate gross proceeds of $2,702,000 (the "Financing"). Canaccord Genuity Corporation (the "Agent") was engaged to act as lead agent in connection with the Financing.

The gross proceeds of the Financing, less certain fees and expenses of the Agent, was placed in escrow on behalf of the purchasers of Subscription Receipts, and was released to the Company upon satisfaction of certain escrow release conditions, including completion of the RTO.

Immediately prior to closing of the RTO each Subscription Receipt, without payment of any additional consideration or taking of any action, was converted into one (1) unit (the "Unit"). Each Unit is comprised of one common share of the Company and one common share purchase warrant of the Company (the "Warrants"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.60 for a period of 3 years following August 1, 2019. The Company incurred cash issuance cost of $250,190.

The 6,755,000 Warrants were assigned a grant date value of $1,032,547 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.25, expected dividend yield of 0%, expected volatility of 130%, risk-free rate of return of 1.43%, and an expected maturity of 3 years.

4. Share capital (continued)

b) Common shares issued (continued)

(ii) (continued) The Company also paid the Agent a cash commission (the "Agent's Commission") of $162,120, equal to 6% of the aggregate gross proceeds of the Financing, half of which was paid upon closing of the RTO and conversion of the Subscription Receipts. The Company also issued warrants to the Agent (the "Compensation Warrants") to purchase such number of common shares of the Company as is equal to 8% of the total number of Subscription Receipts issued pursuant to the Financing. Each Compensation Warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for a period of 24 months following the Closing Date.

The 540,400 Compensation Warrants were assigned a grant date value of $89,443 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.30, expected dividend yield of 0%, expected volatility of 120%, risk-free rate of return of 1.47%, and an expected maturity of 2 years.

Closing of the Transaction took place on August 1, 2019.

(iii) On February 12, 2020, the Company announced that it has closed a non-brokered private placement offering of 4,741,000 common shares of the Company at a price of $0.50 per common share, for aggregate gross proceeds of $2,370,500. Colin Sutherland and Rick Vernon, directors of the Company, each purchased an aggregate of 100,000 common shares under the offering. Kevin Reid, an insider of the Company at the time, beneficially purchased an aggregate of 500,000 common shares under the offering. In connection with the offering, the Company paid cash finders' fees of an aggregate of $93,900 and other share issuance cost of $69,999.

(iv) On May 29, 2020, the Company completed a bought deal private placement offering of 9,300,000 units at a price of $0.65 per unit for aggregate gross proceeds of $6,045,000. Each unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.85 for a period of 18 months. In connection with the offering, the Company paid a cash commission of $451,066 and issued 427,654 broker warrants. Each broker warrant is exercisable into one common share at a price of $0.65 per share for a period of 18 months.

The 4,650,000 warrants and 427,654 broker warrants issued assigned a grant date value of $1,078,553 and $155,400, respectively, as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.53, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.28%, and an expected maturity of 18 months.

(Expressed in Canadian Dollars)

5. Stock options

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018	5,300,000	$ 0.14
Issued (i)	1,800,000	0.30
Issued on RTO	400,000	0.25
Balance, September 30, 2019	7,500,000	$ 0.18
Balance, December 31, 2019	8,300,000	$ 0.21
Issued (ii)(iii)(iv)	1,650,000	0.66
Exercised	(368,000)	0.25
Expired	(32,000)	0.25
Balance, September 30, 2020	9,550,000	$ 0.28

(i) On March 27, 2019, the Company granted 1,800,000 stock options to directors of the Company with exercise price of $0.30 per share, expiring in 5 years. The stock options were assigned a grant date value of $467,071 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.30, expected dividend yield of 0%, expected volatility of 132%, risk-free rate of return of 1.43%, and an expected maturity of 5 years.

(ii) On May 7, 2020, the Company granted 100,000 stock options to a consultant of the Company with exercise price of $0.50 per share, expiring in 5 years. The stock options vest immediately. The stock options were assigned a grant date value of $59,732 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.70, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.37%, and an expected maturity of 5 years.

(iii) On June 4, 2020, the Company granted 1,450,000 stock options to directors and consultants of the Company with exercise price of $0.66 per share, expiring in 5 years. The stock options vest immediately. The stock options were assigned a grant date value of $790,475 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.66, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.48%, and an expected maturity of 5 years.

(iv) On August 4, 2020, the Company granted 100,000 stock options to a consultant of the Company with exercise price of $0.80 per share, expiring in 2 years. The stock options vest monthly in equal installments over one year. The stock options were assigned a grant date value of $56,020 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.89, expected dividend yield of 0%, expected volatility of 121%, risk-free rate of return of 0.25%, and an expected maturity of 2 years.

(Expressed in Canadian Dollars)

5. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of September 30, 2020:

Fair value ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price ($)	Expiry date
56,020	1.84	100,000	16,667	0.80	August 4, 2022
467,071	3.49	1,800,000	1,800,000	0.30	March 27, 2024
269,375	4.13	800,000	800,000	0.40	November 15, 2024
59,732	4.60	100,000	100,000	0.50	May 7, 2025
790,475	4.68	1,450,000	1,450,000	0.66	June 4, 2025
324,573	5.22	2,000,000	2,000,000	0.10	December 18, 2025
250,336	5.55	1,000,000	1,000,000	0.10	April 18, 2026
627,386	5.64	2,300,000	2,300,000	0.20	May 19, 2026
2,844,968	4.81	9,550,000	9,466,667	0.28	

6. Warrants

The Company's warrants outstanding are as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2018	-	$ -
Issued	7,295,400	0.59
Issued on RTO	320,000	0.25
Balance, September 30, 2019	7,615,400	$ 0.57
Balance, December 31, 2019	7,303,440	$ 0.58
Issued	5,077,654	0.83
Warrants repriced (i)	(6,117,999)	0.60
Warrants repriced (i)	6,117,999	0.50
Exercised	(544,557)	0.50
Balance, September 30, 2020	11,836,537	$ 0.64

(i) On February 24, 2020, the Company repriced 6,117,999 of the Company's outstanding warrants expiring on August 1, 2022 from an exercise price of $0.60 per warrant to an exercise price of $0.50 per warrant.

(Expressed in Canadian Dollars)

6. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of September 30, 2020:

Fair value ($)	Number of warrants	Weighted average exercise price ($)	Expiry date
1,225	8,040	0.25	August 7, 2021
86,206	520,843	0.40	August 7, 2021
97,370	637,001	0.60	August 1, 2022
854,927	5,592,999	0.50	August 1, 2022
1,078,553	4,650,000	0.85	November 29, 2021
155,400	427,654	0.65	November 29, 2021
2,273,681	11,836,537	0.64	

7. Exploration and evaluation expenditures

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Sugarloaf Peak Gold Project				
Acquisition cost	$ -	$ -	$ -	$ 600,000
Concession fees	-	3,833	-	26,831
Drilling	40,527	-	40,527	-
Consulting	13,517	-	13,517	-
Assays	93,375	-	93,375	-
	147,419	**3,833**	**147,419**	**626,831**
Kay Mine				
Acquisition cost	-	-	-	1,002,245
Concession fees	16,117	10,600	47,918	10,600
Legal fees	15,408	39,411	20,260	71,013
Consulting	284,876	65,572	800,496	249,057
Camp costs	13,754	-	45,862	-
Drilling	1,510,190	-	3,669,776	-
Assays	90,101	-	90,101	-
Storage	586	605	8,074	1,210
	1,931,032	**116,188**	**4,682,487**	**1,334,125**
Total exploration and evaluation expenditures	**$ 2,078,451**	**$ 120,021**	**$ 4,829,906**	**$ 1,960,956**

7. Exploration and evaluation expenditures (continued)

Sugarloaf Peak Gold Project

On December 16, 2014, Croesus entered into an option agreement with Riverside Resources Inc. ("Riverside") where Riverside grants to Croesus the irrevocable and exclusive right and option to purchase and acquire 100% of Riverside's right, title and interest (of any nature or kind whatsoever) in and to the Sugarloaf Peak Gold Project. On December 18, 2015, Croesus and Riverside amended the option agreement ("December 18, 2015 Option Agreement"). On March 21, 2016, Croesus exercised the option concurrently with amending the cash payment and common share issuance in the December 18, 2015 Option Agreement ("March 21, 2016 Option Agreement").

Under the terms of the March 21, 2016 Option Agreement between Croesus and Riverside, a 100% interest, subject to a 1% net smelter returns royalty to Riverside, in the Sugarloaf Peak Gold Project can be acquired by complying with the following terms:

(i) Croesus making aggregate cash payments to Riverside of $700,000 (paid);
(ii) Croesus making a payment to Riverside for concession fees on the Sugarloaf Peak Gold Project from September 30, December 31, 2016 to August 1, 2016 in the amount of $42,000 (paid);
(iii) the issuance to Riverside of 6,000,000 common shares in the capital of Croesus;
(iv) if Croesus has not completed a public listing recognized by the Ontario Securities Commission on or before specified dates from the December 18, 2015 Option Agreement, up to 4,300,000 common shares may be issued (aggregate of 4,300,000 shares issued, valued at $1,210,000); and
(v) if the market value of the common shares on a public listing recognized by the Ontario Securities Commission is less than $0.15, Croesus shall issue to Riverside the number of common shares equal to the true-up amount in respect of each common share payment made prior to, or, with respect to the common share payment, following the completion of such public listing.

Croesus shall have the right to purchase one-half of the Production Royalty (equivalent to 1% of Net Smelter Returns) for $5,500,000, exercisable at any time on or before the fourth anniversary of the date of this NSR Agreement, exercisable by written notice to the Royalty Holder with payment of cash in immediately available funds to follow, to or as directed by the Royalty Holder, no more than 10 Business Days following receipt of such notice by the Royalty Holder (unless otherwise mutually agreed by the parties).

As of September 30, 2020, the Company paid an aggregate cash payments to Riverside of $700,000 (December 31, 2019 - aggregate cash payments of $700,000) and issued an aggregate of 10,300,000 common shares (December 31, 2019 - aggregate common shares issued of 10,300,000) to Riverside.

(Expressed in Canadian Dollars)

7. Exploration and evaluation expenditures (continued)

Kay Mine

On November 15, 2018, Croesus entered into an acquisition agreement ("Acquisition Agreement") with Silver Spruce Resources Inc. ("Silver Spruce") to acquire 100% interest in certain patented and unpatented mining claims in Yavapai County, Arizona, USA, known collectively as the "Kay Mine Claims". The purchase price includes:

(a) Cash consideration of $50,000 (paid); and
(b) the assumption by the Company of a loan on the closing date with a principal amount of US$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of $652,165.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement (“Extension Agreement”). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of $200,000 on May 9, 2019 and $150,000 on June 27, 2019, satisfying all of the Company’s obligations under the Acquisition Agreement and Extension Agreement.

At September 30, 2020, the Company has provided aggregate of $149,884 (December 31, 2019 - $57,344) in deposits as security against potential future reclamation work related to the Kay Mine.

8. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Salaries and benefits	**$ 75,732**	$ 71,284	**$ 247,082**	$ 151,247
Share-based payments	**-**	-	**708,702**	467,071
Professional fees	**10,984**	7,264	**40,087**	7,264
Legal fees	**(36,152)**	137,732	**161,182**	368,093
	$ 50,564	$ 216,280	**$ 1,157,053**	$ 993,675

(b) Included in professional fees is $10,984 and $40,087, respectively (three and nine months ended September 30, 2019 - $7,264) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at September 30, 2020, $2,318 (December 31, 2019 - $2,321) was owed to this company and this amount was included in accounts payable and accrued liabilities.

(c) A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the three and nine months ended September 30, 2020, the Company recovered legal fees of $36,152 and incurred legal fees of $47,051, respectively (three and nine months ended September 30, 2019 - incurred $28,132 and $66,025, respectively) included in professional fees, share issuance costs of $nil and $114,131, respectively (three and nine months ended September 30, 2019 - $100,000), and listing expense of $nil (three and nine months ended September 30, 2019 - $9,600 and $202,068, respectively) to this law firm. As of September 30, 2020, included in accounts payable and accrued liabilities is an amount of $107,051 (December 31, 2019 - $5,649) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(Expressed in Canadian Dollars)

9. Segmented information

Operating segments

At September 30, 2020, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States. As the operations comprise a single reporting segment, amounts disclosed in these unaudited condensed interim consolidated financial statements also represent operating segment amounts.

Geographic segments

The Company is in the business of mineral exploration in the United States. As such, management has organized the Company's reportable segments by geographic area. The Company's operations in the United States are responsible for mineral exploration activities while the Canadian segment manages corporate head office activities. Information concerning the Company's reportable segments is as follows:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Net loss and comprehensive net loss				
Canada	**$ (273,015)**	$ (782,284)	**$ (1,648,878)**	$ (1,626,378)
United States	**(2,078,451)**	(120,021)	**(4,829,906)**	(1,956,564)
Total	**$ (2,351,466)**	$ (902,305)	**$ (6,478,784)**	$ (3,582,942)

10. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contract

The Company is party to certain employment contracts. These contracts require that additional payments of approximately $600,000 be made upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Exploration properties

See note 7.

(Expressed in Canadian Dollars)

11. Restatement to the financial statements

The consolidated interim financial statements of the Company as at September 30, 2020 and for the three and nine months ended September 30, 2020 have been restated to correct material errors and omissions in its prior filing. The Company discovered the deficiencies in the accounting information subsequent to the filing and issuance of the financial statements.

The following table present the impact of the restatement adjustments on the Company's previously issued consolidated interim financial statements for the three and nine months ended September 30, 2020.

Impact to Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2020	As previously reported	Adjustment	As restated
Share capital	$ 14,526,882	$ 147,340	$ 14,674,222
Reserves	$ 5,237,688	$ (147,340)	$ 5,090,348

Impact to Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three months ended September 30, 2020	As previously reported	Adjustment	As restated
Exploration and evaluation expenditures	$ 3,000,379	$ (921,928)	$ 2,078,451
Professional fees	$ 35,729	$ (54,647)	$ (18,918)
Share-based payments	$ 84,038	$ (59,732)	$ 24,306
Net loss and comprehensive loss for the period	$ (3,387,773)	$ 1,036,307	$ (2,351,466)
Net loss per common share - basic and fully diluted	$ (0.05)	$ 0.01	$ (0.04)

12. Subsequent events

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine VMS Project. The purchase price includes:

(a) Cash consideration of US$200,000 upon entering into the purchase agreement;
(b) Cash consideration of US$500,000 on or before March 31, 2021; and
(c) Cash consideration of US$1,550,000 on or before December 31, 2021.

The terms of the purchase agreement include a due diligence period ending on March 31, 2021. The first payment will be held in escrow during this period, and is fully refundable should the Company not be satisfied with the results of its due diligence investigations on the property.

In January 2021, the Company announced that it will complete a non-brokered private placement of up to 10,526,319 shares at a price of $0.95 per share for gross proceeds of up to $10,000,000.