

American Creek Resources Ltd.

Interim Financial Statements

March 31, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, 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 accompanying unaudited interim financial statements of American Creek Resources Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

American Creek Resources Ltd.

Interim Statements of Financial Position

For the periods ended March 31, 2020 and December 31, 2019

(unaudited – prepared by Management)

(expressed in Canadian dollars)

	March 31, 2020 \$	December 31, 2019 \$
Assets		
Current assets		
Cash	1,365,729	1,647,543
Prepaid expenses and deposits (note 4)	9,282	14,005
Receivable (note 5)	80,103	68,452
Marketable securities (note 8)	329	329
	<u>1,455,443</u>	<u>1,730,329</u>
Reclamation bonds (note 6)	80,000	80,000
Property and equipment (note 7)	452,970	462,740
Exploration and evaluation assets (notes 9 and 17)	<u>4,078,855</u>	<u>3,771,636</u>
	<u>6,067,268</u>	<u>6,044,705</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 10 and 13)	165,948	131,627
Flow-through liability (note 11)	105,000	105,000
	<u>270,948</u>	<u>236,627</u>
Shareholders' Equity		
Share capital (note 11)	33,339,889	33,129,889
Reserves (note 11)	12,051,538	12,051,538
Deficit	<u>(39,595,107)</u>	<u>(39,373,349)</u>
	<u>5,796,320</u>	<u>5,808,078</u>
	<u>6,067,268</u>	<u>6,044,705</u>
Going concern (note 1)		
Commitments (note 17)		
Subsequent events (note 18)		

See accompanying notes to these financial statements.

Approved by the Board of Directors

“Darren R. Blaney”

Director

“Robert N. Edwards”

Director

American Creek Resources Ltd.
Interim Statements of Loss and Comprehensive Loss
For the periods ended March 31,

(unaudited – prepared by management)
(expressed in Canadian dollars)

	2020	2019
	\$	\$
Expenses		
Advertising and promotion	16,863	26,152
Business development and property investigation	10,563	7,485
Corporate communications	6,411	6,360
Depreciation on equipment (note 7)	9,770	1,179
Filing and transfer agent fees	7,900	15,599
Management fees (note 13)	103,693	70,390
Office and administration	34,305	33,496
Professional fees	32,253	2,704
	<u>(221,758)</u>	<u>(163,365)</u>
Other		
Gain on disposal of marketable securities and change in fair market value (note 8)	-	5,593
	<u>(221,758)</u>	<u>(157,772)</u>
Net and comprehensive loss		
	<u>(0.00)</u>	<u>(0.00)</u>
Basic and diluted loss per common share		
	<u>(0.00)</u>	<u>(0.00)</u>
Basic and diluted weighted average number of common shares outstanding		
	<u>348,744,950</u>	<u>298,926,459</u>

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Statements of Changes in Equity

For the periods ended March 31,

(unaudited – prepared by management)

(expressed in Canadian dollars)

	Share capital		Reserves			
	Number of shares	Amount \$	Share-based payment reserve \$	Warrant reserve \$	Deficit \$	Equity \$
Balance as at January 1, 2020	339,666,943	33,129,889	6,162,736	5,888,802	(39,373,349)	5,808,078
Shares issued:						
Shares issued for exploration and evaluation assets	3,000,000	210,000	-	-	-	210,000
Net and comprehensive loss	-	-	-	-	(221,758)	(221,758)
Balance as at March 31, 2020	339,666,943	33,339,889	6,162,736	5,888,802	(39,595,107)	5,796,320
Balance as at January 1, 2019	271,447,209	30,900,759	5,382,834	4,025,915	(37,982,729)	2,326,779
Shares issued:						
Private placements (note 12)	5,200,000	260,000	-	-	-	260,000
Shares issued for debt (note 12)	3,291,441	164,572	-	-	-	164,572
Valuation of warrants issued (note 12)	-	(138,005)	-	138,005	-	-
Share issuance costs (note 12)	-	(7,070)	-	-	-	(7,070)
Net and comprehensive loss	-	-	-	-	(157,772)	(157,772)
Balance as at March 31, 2019	279,938,650	31,180,256	5,382,834	4,163,920	(38,140,501)	2,586,509

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Statements of Cash Flows

For the period ended March 31,

(expressed in Canadian dollars)

	2020 \$	2019 \$
Operating activities		
Net loss for the year	(221,758)	(157,772)
Items not affecting cash		
Depreciation on equipment	9,770	6,605
Loss (gain) on disposal of marketable securities and change in fair market value	-	52,938
Stock-based compensation	-	29,704
	<hr/>	<hr/>
	(211,988)	(574,865)
Changes in non-cash working capital		
Prepaid expenses and deposits	4,723	(702)
Receivables	(11,651)	(10,450)
Accounts payable and accrued liabilities	34,321	146,924
	<hr/>	<hr/>
	(184,595)	(439,093)
Financing activities		
Repayment of long-term debt	-	(1,869)
Proceeds from issuance of capital stock	-	600,000
Share issuance costs - cash	-	(9,239)
	<hr/>	<hr/>
	-	588,892
Investing activities		
Net proceeds on disposal of exploration and evaluation assets	-	50,000
Disposal of marketable securities	-	223,732
Expenditures of exploration and evaluation assets	(97,219)	(381,875)
Net recovery (payment) of reclamation bond	-	(16,000)
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	(97,219)	(124,143)
Increase in cash	(281,814)	25,656
Cash – beginning	1,647,543	24,063
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Cash – end	1,365,729	49,719
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Supplemental disclosures with respect to cash flows (note 12)

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

1 Nature of operations and going concern

American Creek Resources Ltd. (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on February 12, 2004 and continued into Alberta on August 26, 2005. On December 11, 2018, the Company continued again into British Columbia. The Company is engaged in the exploration and development of mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 92 – 2nd Ave W, Cardston, AB, Canada, T0K 0K0. The Company’s registered address and records office is 700 – 9th Ave SW, Suite 3000, Calgary, Alberta, Canada, T2P 3V4.

The Company’s primary listing is on the TSX Venture Exchange under the ticker symbol “AMK”.

Going concern

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company incurred a net loss of \$221,758 during the period ended March 31, 2020 (2019 – \$157,772), generated negative cash flows from operating activities of \$211,988 (2019 – \$574,865) and, as of that date the Company’s deficit was \$39,595,107 (2019 – \$38,140,501) and working capital was \$1,184,495 (2019 – deficiency of \$504,193). As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs, including private placements, property dispositions and settling payables for shares, so it can continue as a going concern. There is no assurance that these initiatives will be successful.

In addition, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Due to the worldwide

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global oil prices
- Demand for base metals
- The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines
- Availability of essential supplies
- Purchasing power of the Canadian dollar
- Ability to obtain funding

At the date of the approval of these interim financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported expenses that would be necessary if the Company were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2 Basis of preparation

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

These interim unaudited condensed financial statements do not include all of the information required for full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this unaudited condensed interim financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019. The effects of the adoption of new and amended IFRS pronouncements have been disclosed below in these condensed interim financial statements.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended December 31, 2019.

These financial statements were approved for issuance by the Company's board of directors ("Board") on July 15, 2020.

These financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies in note 3. They are presented in Canadian dollars which is the Company's functional currency.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

3 Significant accounting policies

The accounting policies followed in these unaudited financial statements have been applied consistently to all periods presented in these financial statements. There are no new standards issued but not yet effective up to the date of these financial statements.

4 Prepaid expense and deposits

The prepaid expenses for the Company are comprised of the following:

	2020	2019
	\$	\$
Insurance	9,095	13,818
Vendor prepayments	187	187
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	9,282	14,005
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5 Receivable

The Company's receivable arose from a goods and service tax receivable which are due from Canadian government taxation authorities.

6 Reclamation Bonds

The Company has posted bonds with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bonds were posted in relation to the following properties and amounts:

	2020	2019
	\$	\$
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Ironmist	-	-
Gold Hill	16,000	16,000
Dunwell	8,000	8,000
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	80,000	80,000
	<hr/>	<hr/>

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

7 Property and equipment

	Computer and office equipment \$	Exploration equipment \$	Furniture and fixtures \$	Vehicles \$	Land and Buildings \$	Total \$
Cost –						
December 31, 2018	40,136	269,500	56,895	77,055	-	443,586
Additions	7,835	-	-	100,595	350,000	-
Disposals	(5,729)	-	-	-	-	-
Cost –						
December 31, 2019	42,242	269,500	56,895	177,650	350,000	896,287
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost –						
March 31, 2020	42,242	269,500	56,895	177,650	350,000	896,287
Accumulated depreciation –						
December 31, 2018	(36,633)	(260,144)	(53,133)	(76,710)	-	(426,600)
Additions	(1,054)	(2,806)	(756)	(6,631)	(1,250)	(433,547)
Disposals	5,550	-	-	-	-	5,550
Accumulated depreciation –						
December 31, 2019	(32,137)	(262,950)	(53,869)	(83,341)	(1,250)	(433,547)
Additions	(810)	(491)	(151)	(7,073)	(1,245)	(9,770)
Disposals	-	-	-	-	-	-
Accumulated depreciation –						
March 31, 2019	(32,947)	(263,441)	(54,020)	(90,414)	(2,495)	(443,317)
Net carrying amounts –						
December 31, 2019	10,106	6,549	3,026	94,309	348,750	462,740
March 31, 2020	9,295	6,059	2,875	87,236	347,505	452,970

8 Marketable securities

As at March 31, 2020, the Company holds 499 (2019 – 499) common shares of Tudor Gold Corp (“Tudor Shares”).

During the period ended March 31, 2020, the Company sold Nil (2019 – 74,000) Tudor Shares for total net proceeds of \$Nil (2019 - \$20,265) resulting in a gain on disposal of \$Nil (2018 – gain of \$2,714).

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

9 Exploration and evaluation assets

As at March 31, 2020, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – December 31, 2019	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Additions	-	-	-	261,475	-	-	-
Acquisition costs – March 31, 2020	432,185	119,944	336,100	803,475	40,500	59,000	1,791,204
Exploration costs – December 31, 2019	640,046	260,776	450,911	864,641	20,429	5,104	2,241,907
Additions	-	-	8,530	19,171	18,043	-	45,744
Exploration costs – March 31, 2020	640,046	260,776	459,441	883,812	38,472	5,104	2,287,651
Total March 31, 2020	1,072,231	380,720	795,541	1,687,287	78,972	64,104	4,078,855

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

As at December 31, 2019, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – December 31, 2018	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Additions	-	-	-	-	-	-	-
Acquisition costs – December 31, 2019	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Exploration costs – December 31, 2018	640,046	260,701	448,703	26,166	20,429	15,479	1,411,524
Additions	-	75	79,391	838,475	-	5,816	923,757
Exploration costs – December 31, 2019	640,046	260,776	528,094	864,641	20,429	21,295	2,335,281
Other items during the year ended December 31, 2019:							
Mining Exploration Tax Credit	-	-	(77,183)	-	-	-	(77,183)
Impairment	-	-	-	-	-	(16,191)	(16,191)
Total December 31, 2019	1,072,231	380,720	787,011	1,406,641	60,929	64,104	3,771,636

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

Electrum Property, British Columbia, Canada

The Electrum property is located north of Stewart, British Columbia. The claims were acquired via an option agreement which all terms and conditions have been completed through total cash payments of \$210,000 and 2,500,000 common shares issued with fair value ranging from \$0.12 to \$0.75 per share. This property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase the 2% NSR at any time for \$1,000,000. In 2016, the Company recorded an impairment on the value of the Electrum property in the amount of \$4,545,601. The Company then disposed of a 60% interest in the property for net cash proceeds of \$493,999 and 1,000,000 common shares of the purchaser with a fair value of \$1.18 under the terms of a joint venture agreement (note 8). The Company maintains a 40% interest in the property. Exploration costs in the amount of \$Nil were incurred by the Company during the current period (2018 - \$Nil).

On June 29, 2018, the Company entered into an option agreement, whereby it granted the optionee an exclusive option to acquire the remaining 40% interest in the Electrum property in exchange for a non-refundable cash payment of \$50,000 (received), and a payment to be made by the optionee of \$2,650,000. The option expired unexercised on April 15, 2019.

Treaty Creek Property, British Columbia, Canada

The Treaty Creek property is located northeast of Stewart, British Columbia. In 2009, the Company completed the requirements as set out in the option agreement to earn a 51% interest in the property by issuing 100,000 common shares with a fair value ranging from of \$0.23 to \$0.24 per share and by incurring the balance of aggregate exploration expenditures in excess of \$5,000,000. Each of the claims that make up the property is subject to either a 1% or 2% NSR royalty on the Company's ownership interest only. The Company has the option to purchase the royalty interests for \$1,500,000 with the exception of 0.5% which can not be purchased and will remain on the claims. In 2016, an impairment of \$6,548,376 on the value of the Treaty Creek property was recorded. The Company then disposed of 31% of its 51% interest in the property for 500,000 common shares of the purchaser with a fair value of \$1.18 per share. The Company had to transfer 25% of the 500,000 common shares of the purchaser to the NSR holders. The Company maintains a 20% interest in the property and is not obligated to contribute towards costs until a production notice is given by the operator of the property. Exploration costs in the amount of Nil (2019 - \$75) were incurred by the Company during the period.

Gold Hill Property, British Columbia, Canada

The Gold Hill property is located near Fort Steele, British Columbia and was purchased on March 9, 2015. Consideration paid for the Gold Hill property consisted of 3,734,444 shares issued to the vendor and 373,444 shares issued as an arms-length finder's fee with a fair value of \$0.09 per share. Exploration costs in the amount of \$8,530 (2019 - \$79,391) were incurred during the period. A Mining Exploration Tax Credit was also received during the prior year in the amount of \$77,183 which offset additions in 2019.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

Dunwell Property, British Columbia, Canada

The Dunwell property is a combination of three acquired properties and is located near Stewart, British Columbia. The first of the three properties, the Silvershot property was acquired through staking in the amount of \$412. The second property, the Dunwell property, was purchased through the acquisition of a private company which holds 100% interest in the property by issuing 7,000,000 shares for fair value of \$490,000. The property was subsequently transferred into the Company's name. The third property, the Bear River property, was purchased by issuing 800,000 shares with fair value of \$52,000. The Company acquired 45 crown grants overlapping or adjoining the current exploration claims by issuing 3,000,000 common shares with fair value of \$210,000 and \$50,000 cash. Total acquisition costs for the claims also included filing fees of \$1,475. Exploration costs in the amount of \$19,171 (2019 - \$838,475) were also incurred during the period.

Ample Goldmax Property, British Columbia, Canada

In 2016, the Company entered into an option agreement to acquire a 100% interest in the Ample Goldmax property located near Lillooet, British Columbia (note 18). The Ample Goldmax claims are subject to a 25% net profit royalty associated with any bulk sample as defined in the agreement. Acquisition costs in 2017 included cash option payments of \$17,000 and the issuance of 200,000 common shares with a fair value of \$14,000. Acquisition costs in 2016 included the issuance of 100,000 common shares with a fair value of \$9,500. Exploration costs in the amount of \$18,043 (2019 - \$Nil) were incurred during the period.

Other Properties, British Columbia, Canada

The Slippery Willow property is located adjacent to the Company's Electrum property. The property was purchased on February 9, 2007. The consideration paid consisted of \$25,000 in cash and the issuance of 120,000 of the Company's common shares with a fair value of \$1.72 per share. In 2016, the Company recorded an impairment on the property of \$234,842 and disposed of 60% of the property under the terms of the Electrum joint venture agreement and still maintains a 40% interest in the property. Exploration costs in the amount of \$Nil were incurred by the Company during the current period (2019 - \$Nil).

In 2016, the Company entered into option agreements to acquire a 100% interest in the Silverside Property located near Clearwater, British Columbia, the Red Tusk Property located near Squamish, British Columbia and the Glitter King Property located on Pitt Island, British Columbia. Combined acquisition costs in 2017 included cash option payments of \$32,500 and the issuance of 175,000 common shares with a fair value of \$12,250. Combined acquisition costs in 2016 included the issuance of 150,000 common shares with a fair value of \$14,250. Each of the claims are subject to a 3% NSR royalty interest that can be purchased for \$500,000 for each 1% interest purchased. Exploration costs in the amount of \$Nil (2018 - \$Nil) were incurred during the period (note 17). During the year ended December 31, 2017, the Red Tusk Property was fully impaired and was returned to the optionee.

The Austruck-Bonanza property is located near Kamloops, British Columbia. In 2010, the value of the property was considered impaired and all acquisition and exploration costs were written off. Further exploration costs in the amount of \$Nil (2019 - \$5,816) were incurred and capitalized in the current year. The property was considered impaired in 2019 and \$16,091 in exploration costs were written off.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

The Company owns 100% of the D-1 McBride Property. No exploration costs were have been incurred to date.

10 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are comprised of the following:

	2020	2019
	\$	\$
Trade payables (note 13)	113,627	113,627
Accrued liabilities	18,000	18,000
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	131,627	131,627
	<hr/>	<hr/>

11 Share capital and reserves

Share capital

a) Authorized

Unlimited number of common shares; and
Unlimited number of preferred shares.

b) Issued and outstanding

Share issuances

During the period ended March 31, 2020, no common shares were issued.

During the year ended December 31, 2019, the Company:

- i) Completed a private placement offering of 2,000,000 units at \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.06 per share.
- ii) Completed a private placement offering of 3,200,000 units at \$0.05 per unit for gross proceeds of \$160,000. Each unit will consist of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.06 per share.
- iii) Issued 3,291,441 common shares to a non-arms length contractor at a price of \$0.03 per share in a shares for debt arrangement. The debt had a carrying value of \$164,573.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

- iv) Completed a private placement offering of 6,000,000 units at \$0.05 per unit for gross proceeds of \$300,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.06 per share.
 - v) Completed a private placement offering of 20,000,000 units at \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.065 per share.
 - vi) Issued 147,656 common shares with a fair value of \$11,812 under a shares for services agreement related to advertising and promotion for the Company.
 - vii) Completed a private placement offering of 5,666,666 flow-through units ("FT Units") at a price of \$0.09 per FT Unit for gross proceeds \$510,000 and 21,875,000 non-flow-through units ("NFT Units") at a price of \$0.08 per NFT Unit for gross proceeds of \$1,750,000. A flow-through liability of \$56,667 was recognized in conjunction with the FT Unit offering, which was fully recovered during the year due to eligible expenditures being incurred.

Each FT Unit consisted of one flow-through common share of the Company ("FT Share") and one non-transferable common share purchase warrant. Each warrant may be exercised for one non-flow-through common share ("NFT Share") at an exercise price of \$0.12 for a period of two years.

Each NFT Unit consisted of one NFT Share and one non-transferable common share purchase warrant. Each warrant may be exercised for one NFT Share at an exercise price of \$0.12 for a period of two years.
 - viii) Issued 2,400,000 common shares with a fair value of \$192,000 from the exercise of warrants.
 - ix) Completed a private placement offering of 3,500,000 flow-through common shares at a price of \$0.10 per common shares for gross proceeds \$350,000. A flow-through liability of \$105,000 was recognized in conjunction with this offering.
 - x) Issued 138,970 common shares with a fair value of \$11,812 under a shares for services agreement related to advertising and promotion for the Company.
 - xi) Cash share issuance costs of \$129,578 were incurred during the year ended December 31, 2019.
- c) Stock options and warrants

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

Stock options transactions and the number of stock options outstanding are summarized as follows:

	Number of options	Weighted average exercise price \$
Balance – December 31, 2018	23,120,000	0.07
Options granted	10,200,000	0.07
Options expired	-	-
	<hr/>	<hr/>
Balance – December 31, 2019	33,320,000	0.07
Options granted	-	0.07
	<hr/>	<hr/>
Balance – March 31, 2020	33,320,000	0.07
	<hr/>	<hr/>
Number of options currently exercisable	33,320,000	0.07

The following incentives stock options were outstanding and exercisable as at March 31, 2020:

Expiry Date	Exercise Price \$	Number Outstanding
March 20, 2022	0.10	2,900,000
March 10, 2025	0.10	3,570,000
April, 24, 2025	0.10	480,000
March 2, 2026	0.05	7,700,000
May 19, 2026	0.08	2,870,000
November 2, 2026	0.07	1,900,000
May 29, 2027	0.05	1,900,000
July 18, 2027	0.05	1,200,000
February 5, 2028	0.05	600,000
January 18, 2029	0.05	4,500,000
August 20, 2029	0.08	2,900,000
September 5, 2029	0.09	2,800,000
		<hr/>
		33,320,000
		<hr/>
Weighted average remaining contractual life (years)		5.91

During the period ended March 31, 2020, the Company granted no stock options.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2020

(expressed in Canadian dollars)

During the year ended December 31, 2019, the Company:

- i) Granted 4,500,000 options to directors and officers at \$0.05 per share expiring on January 18, 2029. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.05. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$177,590 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 157% volatility, a risk free interest rate of 1.98%, and a term of 10 years.

- ii) Granted 2,900,000 options to directors and officers at \$0.08 per share expiring on August 20, 2029. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.08. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$257,802 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 156% volatility, a risk free interest rate of 1.18%, and a term of 10 years.

- iii) Granted 2,800,000 options to directors and officers at \$0.09 per share expiring on September 5, 2029. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.09. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$243,405 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 132% volatility, a risk free interest rate of 1.29%, and a term of 10 years.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price \$
Balance – December 31, 2018	45,700,000	0.08
Warrants granted	59,813,055	0.09
Warrants exercised	(2,400,000)	0.08
Warrants expired	(2,600,000)	0.08
	<hr/>	
Balance – December 31, 2019	100,513,055	0.09
	<hr/>	
Warrants expired	(9,200,000)	0.10
	<hr/>	
Balance – March 31, 2020	91,313,055	0.09
	<hr/>	

American Creek Resources Ltd.

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March 31, 2020

(expressed in Canadian dollars)

The following warrants to acquire common shares were outstanding at March 31, 2020:

Expiry Date	Exercise Price \$	Number Outstanding
November 26, 2020	0.06	6,000,000
August 14, 2020	0.08	13,000,000
March 7, 2020	0.08	5,000,000
March 17, 2020	0.08	2,000,000
June 1, 2020	0.08	12,500,000
January 24, 2021	0.06	2,000,000
March 22, 2021	0.06	3,200,000
July 31, 2021	0.06	6,000,000
August 8, 2021	0.065	20,000,000
September 6, 2021	0.12	28,368,055
December 3, 2021	0.12	<u>245,000</u>
		<u>91,313,055</u>
Weighted average remaining contractual life (years)		<u>1.076</u>

During the period ended March 31, 2020, no warrants to acquire common shares were issued.

The following warrants to acquire common shares were issued during the period ended December 31, 2019:

- i) The Company issued 2,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.06.

The relative fair value of the common share purchase warrants was determined to be \$36,260 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 130% volatility, a risk free interest rate of 1.29% and a term of 24 months.

- i) The Company issued 3,200,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.06.

The relative fair value of the common share purchase warrants was determined to be \$60,098 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 178% volatility, a risk free interest rate of 1.54% and a term of 24 months.

- iii) Extended the exercise period of a total of 28,700,000 outstanding share purchase warrants by one year. The extended periods are reflected in the above table.

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- iv) The Company issued 6,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.06.

The relative fair value of the common share purchase warrants was determined to be \$172,288 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 265% volatility, a risk free interest rate of 1.61% and a term of 24 months

- v) The Company issued 20,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.065.

The relative fair value of the common share purchase warrants was determined to be \$602,755 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 263% volatility, a risk free interest rate of 1.42% and a term of 24 months

- vi) The Company issued 27,541,667 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.12.

The relative fair value of the common share purchase warrants was determined to be \$1,112,673 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 263% volatility, a risk free interest rate of 1.50% and a term of 24 months.

- vii) The Company issued 826,388 broker warrants to purchase common shares as part of a finder's fee agreement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.12.

The fair value of the common share purchase warrants was determined to be \$65,839 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 186% volatility, a risk free interest rate of 1.50% and a term of 24 months.

- viii) The Company issued 245,000 broker warrants to purchase common shares as part of a finder's fee agreement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.12.

The fair value of the common share purchase warrants was determined to be \$12,862 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 183% volatility, a risk free interest rate of 1.55% and a term of 24 months.

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Reserves

The share-based payment reserve includes stock-based compensation expense related to fair value of stock options granted and also the fair value of warrants issued for services.

The warrant reserve includes the relative fair value of attachable warrants issued as a part of units in conjunction with private placements of common shares. The gross proceeds of private placements is allocated between share capital and the warrant reserve using the relative fair value method which allocates a pro-rata amount based on the fair value of the common shares and the warrants issued.

12 Supplemental disclosures with respect to cash flows

Supplementary disclosure of non-cash investing and financing activities during the period ended March 31:

	2020	2019
	\$	\$
Shares issued for settlement of debt	-	122,368
Shares issued for exploration and evaluation assets	210,000	
	<hr/>	
	210,000	122,368
	<hr/>	

13 Related party transactions

Included in accounts payable and accrued liabilities is \$38,375 (2019 – \$Nil) due to companies controlled by officers of the Company. These amounts due to related parties are unsecured, bear interest at comparable market rates, and have no specific terms of repayment.

During the period ended March 31, 2020, the Company incurred the following related party transactions:

- a) Incurred fees in the amount of \$59,000 (2019– \$48,709) to a company controlled by the Company’s Chief Executive Officer.
- b) Incurred fees in the amount of \$44,693 (2019– \$24,000) to a company controlled by the Company’s Chief Financial Officer.

For the period ended March 31, 2020, the total remuneration of key management personnel was \$103,693 (2019 - \$72,709) of management fees and \$Nil (2019 - \$27,229) of stock-based compensation.

14 Financial Instruments

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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(expressed in Canadian dollars)

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

As at March 31, 2020, the Company's financial instruments are comprised of cash, reclamation bonds and accounts payable. The carrying value of cash, accounts payable and reclamation bonds approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Risk management

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, receivables and reclamation bonds.

The Company's cash is held through a Canadian chartered bank which is high-credit quality financial institution. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada which are all current. The Company believes credit risk to be insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company had a cash balance of \$1,647,543 and short-term receivables of \$68,452 to settle current liabilities of \$236,627. The Company forecasts its cash needs on a regular basis and seeks additional financing based on those forecasts. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. Since inception, the Company has financed its cash requirements primarily through issuance of common shares. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. In certain circumstances extended credit arrangements have been negotiated with vendors. All arrangements negotiated are on terms less than one year. See note 1 for further discussion on going concern and its impact on liquidity. The Company believes liquidity risk to be high.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

- a) Interest rate risk

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(expressed in Canadian dollars)

The Company's current policy is to hold deposits in highly rated banking institutions. Interest on short and long-term debt arrangements are fixed and are specifically disclosed. Interest earned is negligible and therefore interest rate risk is low.

b) Foreign currency rate risk

The Company is domiciled in Canada and its capital is raised in Canadian dollars and does not conduct regular business in any foreign country. Therefore, foreign currency rate risk is considered low.

15 Capital management

The Company's working capital (deficit) as at March 31, 2020 was \$1,184,495 (2019 – (\$504,193)). The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

The Company manages its cash and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities or further discussed in note 1 going concern. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

16 Segmented information

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

17 Commitments

Amended NSR Agreement

On April 13, 2016, the Company issued 15,000,000 common shares at \$0.06 per share under an amended agreement with arms length third parties that hold a NSR related to the Company's interest in the Treaty Creek property located in NW British Columbia (note 9). The amended agreement reduces the prior \$6 million payment

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obligation which was potentially triggered if the Company reduced its 51% interest in the property, or granted access for development and tunnel construction.

Additional terms of the amended agreement include:

- a) The NSR holders will hold a 2% NSR on certain Treaty Creek property mineral tenures (“Group I”) and a 1% NSR on the remaining Treaty Creek mineral tenures (“Group II”). The NSR interests apply only to the Company’s interest in the Treaty Creek property. Within 30 days of a Treaty Creek property feasibility study being completed, the NSR holders will be paid an aggregate sum of \$1,500,000 in order for the Company to collectively buy out 0.75% of the Group I NSR and 0.25% of the Group II NSR. At any time the Company may buy out a further 0.75% of the Group I and 0.25% of the Group II NSR for the aggregate sum of \$1,500,000. The NSR holders will retain a 0.5% NSR on the Group I and Group II mineral tenures.
- b) The NSR holders were entitled to 25% of the purchase price the Company received in 2016 from the Company’s sale of a 31% interest in the Treaty Creek property to an arm’s-length purchaser. Consequently, the Company transferred to the NSR Holders 125,000 of the 500,000 purchaser shares received by the Company from such sale, thereby fully fulfilling this obligation under the amended agreement(note 9).
- c) The Company will pay the NSR holders 25% of any consideration the Company may receive from any non-governmental party for access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose, or fees for the use of the Company’s own infrastructure facilities.
- d) The Company will pay the NSR holders 25% of any compensation proceeds the Company may receive from any governmental or quasi-governmental agency for the loss of any rights resulting from the expropriation of access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose.

Mineral Property Acquisitions

During the year ended December 31, 2016, the Company entered into four option agreements to acquire a 100% interest in the Ample Goldmax Property, the Glitter King Property, the Silverside Property and the Red Tusk Property. The terms of each of the agreements are as follows:

Ample Goldmax Property

\$7,000 cash payment within 5 business days of TSX-V approval (paid) and issuance of 100,000 common shares within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (note 9);

Year 1 - \$10,000 cash payment (paid), 200,000 common shares issued to the optionor (issued with a fair value of \$14,000) (note 9) and \$15,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$15,000 cash payment, 250,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

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Year 3 - \$30,000 cash payment, 300,000 common shares issued to the optionor and \$75,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; (in default) and

Year 4 - \$100,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 25% bulk sample royalty on any net profits the Company receives from the extraction of a bulk sample as well as a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Glitter King Property

\$7,500 cash payment within 30 business days of TSX-V approval (paid) and issuance of 100,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (note 9);

Year 1 - \$10,000 cash payment (paid), 100,000 common shares issued to the optionor (issued with a fair value of \$7,000) (note 9) and a minimum of \$10,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$20,000 cash payment, 150,000 common shares issued to the optionor and \$20,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

Year 3 - \$30,000 cash payment, 200,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the three year anniversary of the agreement (in default); and

Year 4 - \$35,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Silverside Property

\$5,000 cash payment within 30 business days of TSX-V approval (paid) and issuance of 50,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$4,750) (note 9);

Year 1 - \$10,000 cash payment (paid), 75,000 common shares issued to the optionor (issued with a fair value of \$5,250) (note 9) and a minimum of \$5,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$20,000 cash payment, 100,000 common shares issued to the optionor and \$10,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

Year 3 - \$30,000 cash payment, 150,000 common shares issued to the optionor and \$30,000 in exploration work conducted on the property prior to the three year anniversary of the agreement (in default); and

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(expressed in Canadian dollars)

Year 4 - \$50,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

All cash payments, share payments and work commitment amounts in each of the agreements may be accelerated at the Company's discretion. Though some of the agreements above are in default, the vendor has agreed to hold the agreement in good standing pending further negotiation of the terms.

18 Subsequent events

Disposition of Exploration and Evaluation Assets

On May 11, 2020, the Company disposed of its remaining 40% interest in the Electrum property which also includes the Slippery Willow claims. Proceeds for the disposition included \$250,000 cash and 1,400,000 common shares of the purchaser.

Warrant extension

On May 12, 2020, the Company extended the exercise period of 12,500,000 share purchase warrants with an exercise price of \$0.08 until December 1, 2020.

Stock option grant

On May 25, 2020 the Company granted 900,000 incentive stock options to directors, officers, contractors and advisors of the Company with an exercise price of \$0.065, exercisable until May 24, 2030. The grant is subject to approval by the TSX-V.