



**INTERNATIONAL PROSPECT VENTURES LTD.**

**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2019 and 2018**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**INTERNATIONAL PROSPECT VENTURES LTD.**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of 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 condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Notes		As at September 30, 2019		As at December 31, 2018
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	7	\$	<b>474,507</b>	\$	617,200
Sales taxes recoverable			<b>10,520</b>		2,315
Prepaid expenses and other	8		<b>10,148</b>		13,779
Advance to related party	12		<b>4,390</b>		14,274
Due from related party	12		<b>-</b>		6,953
			<b>499,565</b>		654,521
<b>Non-current assets</b>					
Other assets	9		<b>-</b>		75,610
Exploration and evaluation assets	9		<b>483,465</b>		118,109
<b>TOTAL ASSETS</b>		\$	<b>983,030</b>	\$	848,240
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities		\$	<b>26,789</b>	\$	316
Due to related parties	12		<b>50,527</b>		-
<b>Total liabilities</b>			<b>77,316</b>		316
<b>EQUITY</b>					
Share capital	10		<b>3,626,666</b>		3,435,835
Contributed surplus			<b>294,801</b>		224,048
Deficit			<b>(3,015,753)</b>		(2,811,959)
<b>Total equity</b>			<b>905,714</b>		847,924
<b>TOTAL LIABILITIES AND EQUITY</b>		\$	<b>983,030</b>	\$	848,240

Going Concern (Note 2)

On behalf of the Board of Directors,

*"Glenn J. Mullan"*

(signed Glenn J. Mullan)  
Director

*"Dr. C. Jens Zinke"*

(signed C. Jens Zinke)  
Director

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

**INTERNATIONAL PROSPECT VENTURES LTD.**

**Condensed Interim Consolidated Statements of Net loss and Comprehensive loss**

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2019	2018	2019	2018
<b>Operating expenses</b>					
Share-based payments	10	\$ -	\$ -	\$ 60,172	\$ -
Audit and accounting fees		4,603	5,700	46,463	38,359
Legal fees		9,554	5,065	39,436	28,740
Regulatory and transfer agent fees		4,406	9,776	16,128	21,131
Travel and entertainment		6,014	3,423	12,958	3,891
Consulting fees		4,304	3,463	10,288	16,697
Office expenses		3,215	3,077	10,214	9,953
Shareholders' information		5,087	2,818	5,608	7,825
Advertising and promotion		67	-	793	-
Exploration and evaluation expenses		-	-	166	-
<b>Operating loss</b>		<b>37,250</b>	<b>33,322</b>	<b>202,226</b>	<b>126,596</b>
<b>Other expenses</b>					
Foreign exchange loss (gain)		502	(56)	827	1,116
Interest expense (income)		624	(5)	741	67
		1,126	(61)	1,568	1,183
<b>Net loss and total comprehensive loss for the period</b>		<b>\$ 38,376</b>	<b>\$ 33,261</b>	<b>\$ 203,794</b>	<b>\$ 127,779</b>
<b>Basic and diluted net loss per common share</b>	11	<b>\$ 0.001</b>	<b>\$ 0.001</b>	<b>\$ 0.008</b>	<b>\$ 0.005</b>
<b>Weighted average number of common shares outstanding</b>	11	<b>27,103,128</b>	<b>25,503,128</b>	<b>26,921,443</b>	<b>25,299,099</b>

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

**INTERNATIONAL PROSPECT VENTURES LTD.**

**Condensed Interim Consolidated Statements of Changes in Equity**

(Unaudited)

(Expressed in Canadian Dollars)

	Notes	Share capital		Contributed Surplus		Warrants	Deficit	Total
		Number						
<b>Balance on January 1, 2019</b>		<b>25,503,128</b>	<b>\$ 3,435,835</b>	<b>\$ 224,048</b>	<b>\$ -</b>	<b>\$ (2,811,959)</b>	<b>\$ 847,924</b>	
Issuance of shares to acquire Valroc	6	1,600,000	200,000	-	-	-	200,000	
Share-based payments		-	-	70,753	-	-	70,753	
Share issue expenses		-	(9,169)	-	-	-	(9,169)	
Net loss and comprehensive loss for the period		-	-	-	-	(203,794)	(203,794)	
<b>Balance on September 30, 2019</b>		<b>27,103,128</b>	<b>\$ 3,626,666</b>	<b>\$ 294,801</b>	<b>\$ -</b>	<b>\$ (3,015,753)</b>	<b>\$ 905,714</b>	

		Share capital		Contributed Surplus		Warrants	Deficit	Total
		Number						
<b>Balance on January 1, 2018</b>		<b>25,103,128</b>	<b>\$ 3,330,832</b>	<b>\$ 228,048</b>	<b>\$ -</b>	<b>\$ (2,617,170)</b>	<b>\$ 941,710</b>	
Issuance of shares on exercise of stock options		100,000	9,000	(4,000)	-	-	5,000	
Issuance of shares on settlement of debt	10	300,000	60,000	-	-	-	60,000	
Net loss and comprehensive loss for the period		-	-	-	-	(127,779)	(127,779)	
<b>Balance on September 30, 2018</b>		<b>25,503,128</b>	<b>\$ 3,399,832</b>	<b>\$ 224,048</b>	<b>\$ -</b>	<b>\$ (2,744,949)</b>	<b>\$ 878,931</b>	

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

**INTERNATIONAL PROSPECT VENTURES LTD.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited)  
(Expressed in Canadian Dollars)

	For the nine months ended September 30,	
	<b>2019</b>	2018
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (203,794)	\$ (127,779)
Adjustments:		
Share-based payment	60,172	-
	<b>(143,622)</b>	(127,779)
Change in non-cash working capital items		
Prepaid expenses and other	3,631	(4,819)
Sales taxes recoverable	(8,205)	28,773
Advance to related party	9,884	9,340
Due from related party	6,953	-
Accounts payable and accrued liabilities	26,473	(22,540)
Due to related parties	50,527	-
	<b>89,263</b>	10,754
<b>Cashflows used by operating activities</b>	<b>(54,359)</b>	(117,025)
<b>INVESTING ACTIVITY</b>		
Additions to exploration and evaluation assets	(79,165)	(21,283)
<b>Cashflows used by investing activity</b>	<b>(79,165)</b>	(21,283)
<b>FINANCING ACTIVITIES</b>		
Proceeds from exercise of stock options	-	5,000
Share issue expenses	(9,169)	-
<b>Cashflows from (used by) financing activities</b>	<b>(9,169)</b>	5,000
<b>Decrease in cash</b>	<b>(142,693)</b>	(133,308)
<b>Cash and cash equivalents, beginning of period</b>	<b>617,200</b>	801,117
<b>Cash and cash equivalents, end of period</b>	<b>\$ 474,507</b>	\$ 667,809

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

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2019 and 2018**  
(Expressed in Canadian dollars unless otherwise noted)

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**1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES**

International Prospect Ventures Ltd (the "Company" or "International Prospect"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's common shares are trading on the TSX Venture Exchange under the trading symbol "IZZ".

As at September 30, 2019, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 16.50% (December 31, 2018 - 17.53%) interest in the Company.

**2) GOING CONCERN**

These condensed interim consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at September 30, 2019, the Company has a cumulated deficit of \$3,015,753 (\$2,811,959 as at December 31, 2018).

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

**INTERNATIONAL PROSPECT VENTURES INC.**  
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### **3) BASIS OF PRESENTATION**

#### *Statement of Compliance*

These condensed interim consolidated financial statements, approved by the Board of Directors on November 22, 2019, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”. These condensed interim consolidated financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2018.

#### *Basis of Consolidation*

These condensed interim consolidated financial statements include the accounts of International Prospect and its subsidiary, Valroc Ventures Pty Ltd (“Valroc”), a New South Wales company, located in Australia. Subsidiaries are consolidated where the Company has the ability to exercise control. Control of an investee exists when the Company is exposed to variable returns from the Company’s involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation.

### **4) SIGNIFICANT ACCOUNTING POLICIES**

#### *a) Overall considerations*

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3 - Significant Accounting Policies, of the Company’s annual audited financial statements for the year ended December 31, 2018.

#### *b) Accounting standards issued and in effect during the period*

##### *IFRS 16 - Leases*

In January 2016, the IASB published IFRS 16 “Leases”, which has replaced IAS 17 “Leases”. This IFRS eliminates the classification of an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, and largely retains IAS 17’s approach to lessor accounting and introduces new disclosure requirements.



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**4) SIGNIFICANT ACCOUNTING POLICIES (continued)**

*IFRS 16 – Leases (continued)*

IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. On January 1, 2019, the Company adopted IFRS 16 and concluded that, based on its current operations, the adoption of IFRS 16 had no significant impact on the Company's financial statements.

**5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim consolidated financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 5 to the Company's audited financial statements for the year ended December 31, 2018.

**6) ACQUISITION OF VALROC VENTURES PTY LTD.**

On September 21, 2017, the Company entered into an agreement with Valroc, pursuant to which the Company and Valroc will jointly acquire certain mining claims located in Western Australia, each with an undivided 50% interest. Valroc will be responsible for arranging to have the claims acquired, registered and held in good standing. The Company will pay all of the costs of acquiring the claims, and other related costs including the costs of initial technical compilations and program reviews up to a maximum of \$120,000 to allow the Company and Valroc to consider establishing a proper joint venture arrangement on or around December 31, 2017.

On December 12, 2017, the Company and Valroc entered into a binding share exchange agreement ("Valroc agreement") to acquire 100% interest in Valroc. Pursuant to the terms of the Valroc agreement, the owner of Valroc will exchange with the Company all of the issued and outstanding shares of Valroc for 1,600,000 common shares of the Company on the terms and conditions set forth in the Valroc agreement and Valroc will become a wholly owned subsidiary of the Company such that the Company will then own a 100% interest in the tenements upon the applications for such tenements being granted. Completion of the transactions contemplated by the Valroc agreement is conditional on the applications for the tenements being granted and acceptance by the TSX Venture Exchange.

On January 31, 2019, pursuant to the Valroc agreement, the Company acquired all of the issued and outstanding shares of Valroc and as consideration for the acquisition, the Company issued 1,600,000 common shares of the Company to the owner of Valroc. Valroc is now a wholly owned subsidiary of the Company such that the Company now owns a 100% interest in the tenements.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**September 30, 2019 and 2018**



(Expressed in Canadian dollars unless otherwise noted)

**6) ACQUISITION OF VALROC VENTURES PTY LTD. (continued)**

The acquisition of Valroc does not meet the definition of a business combination under IFRS 3 “Business Combinations” as the primary assets acquired are the tenements. Accordingly, the purchase of Valroc’s net assets will be an equity-settled share-based payment under IFRS 2 “Share-based Payment” once the conditions under the Valroc agreement are met. In accordance with IFRS 2, equity instruments from this transaction will be recognized at fair value of net assets acquired. Net assets acquired consist of eight tenements which will be measured at the amount of the excess of the fair value of equity instruments deemed issued to Valroc at the time of completion and Valroc’s net assets acquired.

The following table summarizes the fair value of the total consideration transferred to the owner of Valroc and the fair value of identified assets acquired and liabilities assumed:

**Consideration transferred**

Issuance of 1,600,000 common shares	\$ 200,000
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**Net assets acquired**

Tenements	\$ 200,000
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**7) CASH AND CASH EQUIVALENT**

	<b>As at September 30, 2019</b>	As at December 31, 2018
Cash	\$ 424,332	\$ 567,200
Demand deposit	50,175	50,000
	<b>\$ 474,507</b>	<b>\$ 617,200</b>

The deposit is due on demand, bears interest at 1.4% per annum and maturing on October 25, 2021.

**8) PREPAIDS EXPENSES AND OTHER**

	<b>As at September 30, 2019</b>	As at December 31, 2018
Prepaid expenses	\$ 9,933	\$ 6,064
Other	215	7,715
	<b>\$ 10,148</b>	<b>\$ 13,779</b>

**INTERNATIONAL PROSPECT VENTURES INC.**  
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**9) EXPLORATION AND EVALUATION ASSETS**

The following table presents the additions to exploration and evaluation assets by categories:

	As at January 1, 2018		As at December 31, 2018		Additions	Acquisition	Reclassification	As at September 30, 2019
Claim and claim maintenance	\$ 18,269	\$ 4,993	\$ 23,262	\$ 25,375	-	72,796	\$ 121,433	
Acquisition (note 6)	-	-	-	-	200,000	-	200,000	
Geophysics	51,926	-	51,926	-	-	-	51,926	
Geology	17,120	4,424	21,544	54,181	-	-	75,725	
Other	529	848	1,377	190	-	2,814	4,381	
Royalty advances	10,000	10,000	20,000	-	10,000	-	30,000	
	\$ 97,844	\$ 20,265	\$ 118,109	\$ 79,746	210,000	75,610	\$ 483,465	

The following table presents exploration and evaluation assets by properties:

	As at September 30, 2019	As at December 31, 2018
Pilbara Region	\$ 354,563	\$ -
Porcupine Miracle	124,501	113,708
Other	4,401	4,401
<b>Total</b>	<b>\$ 483,465</b>	<b>\$ 118,109</b>

*Pilbara Region – Western Australia*

The Company and Valroc have staked eight tenements to date, in an area southeast of Karratha, Western Australia, covering a total area of approximately 1,026 square kilometres and proximal to and/or cover target lithologies for gold-bearing conglomerate/sedimentary rocks at the base of the Mt. Roe Basalt (2 tenements), gold-bearing Mosquito Creek and Hardey formations (4 tenements), and other prospective rocks of the Fortescue Group (2 tenements). Seven of the eight tenements are proximal to lands held by Novo Resources, Artemis Resources, Pacton Gold, and Millennium Minerals.

On September 19, 2018, the Company was granted one exploration licence and on January 9, 2019, the Company was granted the remaining seven exploration licences for eight properties.

**INTERNATIONAL PROSPECT VENTURES INC.**  
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**9) EXPLORATION AND EVALUATION ASSETS (continued)**

Granting of the exploration licences for all eight properties was completed as of January 9, 2019. Consequently, the deposits of \$72,796, plus other costs of \$2,814, classified as “Other assets” in fiscal year 2018 have been reclassified to “Exploration and evaluation assets” in fiscal year 2019. In addition, on acquisition of the tenements from Valroc for consideration of 1,600,000 common shares of the Company, the acquired tenements were assigned a fair valued of \$200,000. Through the acquisition of Valroc, the Company now holds 100% ownership of eight tenements.

*Porcupine Miracle Prospect - Langmuir Township, Ontario*

The Company owns a 100% interest in the Porcupine Miracle Prospect which comprises nine (9) claim cells located in Langmuir Township in the province of Ontario, Canada. The property is subject to a royalty in favor of 2973090 Canada Inc, a company controlled by the President, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum is payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

*Otish/Mistassini Prospect - North Central Québec*

The Company owns a 100% interest in the Otish/Mistassini Prospect which comprises 44 mining claims located in the province of Québec. This property was impaired in a previous year.

*Beartooth Island Prospect - Athabaska Basin, Saskatchewan*

On March 31, 2011, the Company acquired Golden Valley's 40% interest in the Beartooth Island Prospect. This property is the subject of an agreement with Ditem Explorations Inc (“Ditem”). Ditem can acquire an additional 6% interest in the property by advising the Company of its intent to complete and by completing a feasibility study at its sole cost within the period of 6 years from the operative date, subject to and in accordance with the terms of the agreement. The Company has a 40% interest therein on 2 mining claims; Ditem is the operator. Since the operator was not planning any work in the near future, the Company recognized an impairment in a previous year.

**10) EQUITY**

*a) Share Capital*

**Authorized**

Unlimited number of voting common shares without par value.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
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**10) EQUITY (continued)**

**Issue share capital**

The change in issued share capital for the nine months ended September 30, 2019 and 2018 was as follows:

	2019		2018	
	Number of shares	Stated Value	Number of shares	Stated Value
<b>Balance on January 1,</b>	<b>25,503,128</b>	<b>\$ 3,435,835</b>	25,103,128	\$ 3,330,832
Issuance of shares to acquire Valroc (note 6)	<b>1,600,000</b>	<b>200,000</b>	-	-
Issuance of shares on settlement of debt	-	-	300,000	60,000
Issuance of shares on exercise of stock options	-	-	100,000	9,000
Share issue expenses	-	<b>(9,169)</b>	-	-
<b>Balance on September 30,</b>	<b>27,103,128</b>	<b>\$ 3,626,666</b>	25,503,128	\$ 3,399,832

***2019 transactions on share capital***

As described in note 6, the Company acquired Valroc through the issuance of 1,600,000 of its common shares on January 31, 2019.

***2018 transactions on share capital***

***Settlement of debt***

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley, pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in-house legal counsel for day to day general enquiries, services of a consultant and investors relations services to the Company in consideration of \$96,000 per year, payable on a monthly basis, plus applicable taxes. However, Golden Valley suspended the management fees of the Company in 2013 to enable the Company to conserve cash for operations.

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which the Company agreed to terminate the Management Agreement, in exchange for a settlement fee of \$60,000 payable by the Company as consideration for its failure to pay the management fees since the date of suspension of the Management Agreement. On April 6, 2018, the Company announced that, subject to acceptance by the TSX Venture Exchange and with the intent of preserving its cash resources for operations, it proposed issuing approximately 300,000 common shares at a deemed per share price of \$0.20 in settlement of \$60,000 in accrued debt owed to Golden Valley. On April 19, 2018, the Exchange accepted the shares for debt submission.

**INTERNATIONAL PROSPECT VENTURES INC.**  
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**10) EQUITY (continued)**

**2018 transactions on share capital (continued)**

*Incentive stock option*

On May 7, 2018, 100,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$5,000.

*Share-based payments*

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange (the "Exchange"); if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock option is presented as follows:

	For the nine months ended September 30, 2019		For the year ended December 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	2,260,000	\$ 0.11	2,510,000	\$ 0.10
Granted	500,312	0.16	-	-
Exercised	-	-	(100,000)	0.05
Forfeited	(100,000)	0.05	(150,000)	0.05
Outstanding, end of period	2,660,312	\$ 0.12	2,260,000	\$ 0.11

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**10) EQUITY (continued)**

On February 28, 2019, the Company granted to an officer incentive stock options entitling the purchase 50,000 common shares at an exercise price of \$0.17 per share. The options are exercisable for a period of 5 years until February 28, 2024. All options are exercisable immediately. The fair value of the 50,000 stock options has been estimated on the date of issue at \$7,484, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.17; expected dividend yield: nil; expected volatility: 137.19%; risk-free interest rate: 1.8%; expected life: 5 years and exercise price at the date of grant: \$0.17 per share. For the three and nine months ended September 30, 2019, an amount of \$nil and \$7,484 has been expensed as share-based payments in the statement of net loss, respectively.

On June 17, 2019, the Company granted to directors, officers and consultants incentive stock options entitling the purchase 450,312 common shares at an exercise price of \$0.16 per share. The options are exercisable for a period of 5 years until June 17, 2024. All options are exercisable immediately. The fair value of the 450,312 stock options has been estimated on the date of issue at \$63,269, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.16; expected dividend yield: nil; expected volatility: 136.91%; risk-free interest rate: 1.34%; expected life: 5 years and exercise price at the date of grant: \$0.16 per share. For the three and nine months ended September 30, 2019, an amount of \$nil and \$52,688 has been expensed as share-based payments in the statement of net loss and of \$nil and \$10,581 has been capitalized to Exploration and Evaluation Assets, respectively.

Given the limited trading history of the Company's common shares, the underlying expected volatility was determined by reference to historical data of comparable mining exploration companies' share on the TSX Venture Exchange over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

The table below summarizes the information related to outstanding share options as at September 30, 2019:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Number of stock options outstanding</b>
February 28, 2024	\$ 0.170	50,000
June 17, 2024	\$ 0.160	450,312
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		2,660,312

**INTERNATIONAL PROSPECT VENTURES INC.**  
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(Expressed in Canadian dollars unless otherwise noted)

**11) LOSS PER SHARE**

Loss per share has been calculated using the weighted average number of common shares outstanding as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2019	2018	2019	2018
Net loss for the period	\$ 38,376	\$ 33,261	\$ 203,794	\$ 127,779
Weighted average number of common shares - Basic	27,103,128	25,503,128	26,921,443	25,299,099
Dilutive effect of stock options	-	-	-	-
Weighted average number of common shares - Diluted	27,103,128	25,503,128	26,921,443	25,299,099
Basic loss per share	\$ 0.001	\$ 0.001	\$ 0.008	\$ 0.005
Diluted loss per share	0.001	0.001	0.008	0.005

For the three and nine months ended September 30, 2019 and 2018, potential dilutive common shares from incentive stock options have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

**12) RELATED PARTY TRANSACTIONS**

*a) Transactions with a shareholder*

For the three and nine months ended September 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of \$3,105 and \$9,898 (\$3,204 and \$10,922 were recharged for the three and nine months ended September 30, 2018), respectively. Moreover, for the three and nine months ended September 30, 2019, Golden Valley recharged consulting fees of \$19,600 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its CEO.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2019, the Company had indebtedness of \$22,656 to Golden Valley.

*b) Transactions with key management*

Key management personnel of the Company is comprised of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer (“CFO”). The compensation paid to key management is presented below:

- For the three and nine months ended September 30, 2019, the Company incurred consultant fees of \$3,000 and \$9,000 (\$3,000 and \$,6000 for the three and nine months ended September 30, 2018), respectively, from Golden Valley relating to the services of the Company’s CFO. These fees are recorded under audit and accounting fees in the statement of net loss.



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**12) RELATED PARTY TRANSACTIONS (continued)**

- For the three and nine months ended September 30, 2018, the Company incurred fees of \$7,500 and \$15,000 respectively relating to the services of the former CFO. These fees are recorded under audit and accounting fees in the statement of net loss.
- As at September 30, 2019, the Company has an advance to a director of the Company for an amount of \$4,390 (December 31, 2018 - \$14,274) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the Company's newly acquired subsidiary, Valroc.

*c) Transactions with related parties*

For the three and nine months ended September 30, 2019, Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company, recharged general and administrative expenses to the Company for a total amount of \$12,395 and \$33,459 (\$nil and \$1,022 for the three and nine months ended September 30, 2018), respectively. Moreover, for the three and nine months ended September 30, 2019, Val-d'Or Mining recharged consulting fees of \$24,000 (2018 - \$nil), capitalized to Exploration and Evaluation Assets, for the services provided by its COO.

For efficiency reasons, where the Company and Val-d'Or Mining are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at September 30, 2019, the Company had indebtedness of \$27,871 (December 31, 2018 – receivable of \$6,593) to Val-d'Or Mining.

**13) CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve.

The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 10 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

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**14) COMMITMENTS**

*Exploration Expenditure Commitment*

In order to maintain the Company's interest in mining tenements in Australia, the Company is committed to meet the minimum expenditure of approximately \$348,000 (or AUD\$379,000) by January 2020 under which the tenements were granted.

**15) ADDITIONAL CASH FLOW INFORMATION**

Significant non-cash transactions included in the Statements of Cash Flows for the nine months ended September 30, 2019 and 2018 are as follows:

	<b>2019</b>	2018
Accounts payable and other liabilities included in exploration and evaluation assets	\$ <b>43,600</b>	\$ 10,000
Issuance of common shares on settlement of debt	-	90,000

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