



**INTERNATIONAL PROSPECT VENTURES LTD.**

**Condensed Interim Consolidated Financial Statements**

**For the three and six months ended June 30, 2020 and 2019**

**(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 Chartered Professional Accountants of 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	<b>As at June 30, 2020</b>	As at December 31, 2019
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	6    \$ <b>758,516</b>	\$    336,830
Sales taxes recoverable	<b>8,879</b>	18,266
Prepaid expenses and deposits	<b>215</b>	6,260
Advance to related party	10 <b>1,465</b>	1,465
	<b>769,075</b>	362,821
<b>Non-current assets</b>		
Exploration and evaluation assets	7 <b>595,277</b>	552,303
<b>TOTAL ASSETS</b>	\$ <b>1,364,352</b>	\$    915,124
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ <b>46,522</b>	\$    1,444
Due to related parties	10 <b>63,696</b>	101,703
<b>Total liabilities</b>	<b>110,218</b>	103,147
<b>EQUITY</b>		
Share capital	8 <b>3,932,671</b>	3,626,666
Contributed surplus	<b>349,836</b>	290,916
Warrants	<b>214,908</b>	-
Deficit	<b>(3,243,281)</b>	(3,105,605)
<b>Total equity</b>	<b>1,254,134</b>	811,977
<b>TOTAL LIABILITIES AND EQUITY</b>	\$ <b>1,364,352</b>	\$    915,124

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"  
(signed Glenn J. Mullan)  
Director

"Dr. Robert L. Valliant"  
(signed Robert L. Valliant)  
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 June 30,		For the six months ended June 30,	
		2020	2019	2020	2019
<b>Operating expenses</b>					
Share-based payments	\$	58,920	\$ 52,688	\$ 58,920	\$ 60,172
Legal fees		18,918	15,334	24,072	29,882
Audit and accounting fees		7,491	17,346	18,645	41,860
Regulatory and transfer agent fees		6,542	3,641	14,884	11,722
Exploration and evaluation expenses		1,975	987	10,241	1,041
Office expenses		5,170	3,181	7,759	6,999
Consulting fees		-	2,283	2,625	5,109
Travel and entertainment		-	5,404	-	6,944
Shareholders' information		-	521	-	521
Advertising and promotion		-	-	-	726
<b>Operating loss</b>		<b>99,016</b>	<b>101,385</b>	<b>137,146</b>	<b>164,976</b>
<b>Other expenses (income)</b>					
Foreign exchange loss (gain)		(378)	127	(4)	325
Finance expense		262	55	539	117
Finance income		(3)	-	(5)	-
		(119)	182	530	442
<b>Net loss and total comprehensive loss for the period</b>	\$	<b>98,897</b>	\$ 101,567	\$ 137,676	\$ 165,418
<b>Basic and diluted net loss per common share</b>	9	\$ 0.004	\$ 0.004	\$ 0.004	\$ 0.006
<b>Weighted average number of common shares outstanding</b>	9	<b>27,983,286</b>	27,103,128	<b>32,824,158</b>	26,829,095

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, 2020</b>		27,103,128	\$ 3,626,666	\$ 290,916	\$ -	\$ (3,105,605)	\$ 811,977
Issuance of units under a private placement	8	6,161,109	347,471	-	207,029	-	554,500
Share-based payment		-	-	58,920	-	-	58,920
Share issue expenses		-	(41,466)	-	7,879	-	(33,587)
Net loss and comprehensive loss for the period		-	-	-	-	(137,676)	(137,676)
<b>Balance on June 30, 2020</b>		33,264,237	\$ 3,932,671	\$ 349,836	\$ 214,908	\$ (3,243,281)	\$ 1,254,134

		Share capital	Contributed Surplus	Warrants	Deficit	Total	
		Number					
<b>Balance on January 1, 2019</b>		25,503,128	\$ 3,435,835	\$ 224,048	\$ -	\$ (2,811,959)	\$ 847,924
Issuance of shares to acquire Valroc	8	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		-	-	-	-	(165,418)	(165,418)
<b>Balance on June 30, 2019</b>		27,103,128	\$ 3,626,666	\$ 294,801	\$ -	\$ (2,977,377)	\$ 944,090

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 six months ended June 30,	
	Notes	2020	2019
<b>OPERATING ACTIVITIES</b>			
Net loss for the period		\$ (137,676)	\$ (165,418)
Adjustments:			
Share-based payment		58,920	60,172
		(78,756)	(105,246)
Change in non-cash working capital items			
Sales taxes recoverable		9,387	(2,471)
Prepaid expenses and deposits		6,045	10,097
Advance to related party		-	12,903
Due from related party		-	6,953
Accounts payable and accrued liabilities		45,078	2,733
Due to related parties		(38,007)	5,042
		22,503	35,257
<b>Cashflows used by operating activities</b>		<b>(56,253)</b>	<b>(69,989)</b>
<b>INVESTING ACTIVITY</b>			
Additions to exploration and evaluation assets		(42,974)	(7,640)
<b>Cashflows used by investing activities</b>		<b>(42,974)</b>	<b>(7,640)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of units under a private placement	8	554,500	-
Share issue expenses		(33,587)	(9,169)
<b>Cashflows from (used by) financing activities</b>		<b>520,913</b>	<b>(9,169)</b>
<b>Increase (decrease) in cash</b>		<b>\$ 421,686</b>	<b>\$ (86,798)</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>336,830</b>	<b>617,200</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 758,516</b>	<b>\$ 530,402</b>

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**  
**June 30, 2020 and 2019**  
(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 June 30, 2020, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 13.44% (2019 – 16.50%) 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.

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.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**June 30, 2020 and 2019**  
(Expressed in Canadian dollars unless otherwise noted)

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### **3) BASIS OF PRESENTATION**

These condensed interim consolidated financial statements, approved by the Board of Directors on August 21, 2020, 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, 2019.

#### *Subsidiaries*

These condensed interim consolidated financial statements include the accounts of International Prospect and its subsidiary, Valroc Ventures Pty Ltd (“Valroc”). All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation. 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.

### **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 5 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2019.

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

##### *IAS 1 “Presentation of Financial Statements” (“IAS 1”)*

IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of “material” and IAS 8 has been revised to refer to this new definition in IAS 1. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. As of January 1, 2020, the Company adopted IAS 1 and has concluded that, based on its current operations, the adoption of IAS 1 had no significant impact on the Company’s financial statements.



**INTERNATIONAL PROSPECT VENTURES INC.**  
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**4) SIGNIFICANT ACCOUNTING POLICIES (continued)**

*IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8")*

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IAS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020. As of January 1, 2020, the Company adopted IAS 8 and has concluded that, based on its current operations, the adoption of IAS 8 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, 2019.

*Uncertainty due to COVID-19*

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its Exploration and evaluation assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**June 30, 2020 and 2019**

(Expressed in Canadian dollars unless otherwise noted)

**6) CASH AND CASH EQUIVALENTS**

		<b>As at June 30, 2020</b>		As at December 31, 2019
Cash	\$	<b>708,341</b>	\$	286,655
Demand deposit		<b>50,175</b>		50,175
	\$	<b>758,516</b>	\$	336,830

The deposit is due on demand, bears interest at 1.4% per annum and maturing on October 25, 2020.

**7) EXPLORATION AND EVALUATION ASSETS**

The following table presents the additions to exploration and evaluation assets by categories as at June 30, 2020 and December 31, 2019:

	<b>As at</b>					<b>As at</b>
	<b>January 1, 2020</b>	<b>Additions</b>	<b>Acquisition</b>	<b>Impairment</b>	<b>Reclassification</b>	<b>June 30, 2020</b>
Claim and claim maintenance	\$ 130,302	34,135	\$ -	-	-	\$ 164,437
Acquisition	200,000	-	-	-	-	200,000
Program management	124,713	2,016	-	-	-	126,729
Geophysics	51,926	-	-	-	-	51,926
Geology	40,926	6,823	-	-	-	47,749
Other	4,436	-	-	-	-	4,436
	\$ 552,303	42,974	-	-	-	\$ 595,277

	<b>As at</b>					<b>As at</b>
	<b>January 1, 2019</b>	<b>Additions</b>	<b>Acquisition</b>	<b>Impairment</b>	<b>Reclassification</b>	<b>December 31, 2019</b>
Claim and claim maintenance	\$ 23,262	34,244	-	-	72,796	\$ 130,302
Acquisition	-	-	200,000	-	-	200,000
Program management	-	124,713	-	-	-	124,713
Geophysics	51,926	-	-	-	-	51,926
Geology	21,544	19,382	-	-	-	40,926
Other	1,377	245	-	-	2,814	4,436
Royalty advances	20,000	10,000	-	(30,000)	-	-
	\$ 118,109	188,584	200,000	(30,000)	75,610	\$ 552,303

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
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(Expressed in Canadian dollars unless otherwise noted)

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**7) EXPLORATION AND EVALUATION ASSETS (continued)**

The following table presents exploration and evaluation assets by properties as at June 30, 2020 and December 31, 2019:

	As at June 30, 2020	As at December 31, 2019
Pilbara Region	\$ 490,107	\$ 447,133
Porcupine Miracle	92,050	92,050
Other	13,120	13,120
<b>Total</b>	<b>\$ 595,277</b>	<b>\$ 552,303</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).

*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 46 mining claims located in the province of Québec.

*Beartooth Island Prospect - Athabasca Basin, Saskatchewan*

The Company holds a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in the province of Saskatchewan. The property consists of one claim totaling 5,940 hectares. Ditem Explorations Inc. is the operator of the prospect.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**June 30, 2020 and 2019**



(Expressed in Canadian dollars unless otherwise noted)

**8) EQUITY**

*a) Share Capital*

**Authorized**

Unlimited number of voting common shares without par value.

**Issue share capital**

The change in issued share capital for the period was as follows:

	2020		2019	
	Number of shares	Stated Value	Number of shares	Stated Value
<b>Balance on January 1,</b>	27,103,128	\$ 3,626,666	25,503,128	\$ 3,435,835
Issuance of units under a private placement	6,161,109	347,471	-	-
Issuance of shares to acquire Valroc	-	-	1,600,000	200,000
Share issue expenses	-	(41,466)	-	(9,169)
<b>Balance on June 30,</b>	<b>33,264,237</b>	<b>\$ 3,932,671</b>	<b>27,103,128</b>	<b>\$ 3,626,666</b>

**2020 transactions on share capital**

*Non-brokered private placement*

On June 17, 2020, the Company completed a non-brokered private placement pursuant to which it issued 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500. Each Unit consisted of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share at a per share price of \$0.13 until June 17, 2022, subject to accelerated expiry in certain circumstances.

The related fair value method, using the Black Scholes options pricing model, was retained to estimate the fair value of the 6,161,109 warrants with the following assumptions: an expected volatility of 110.12%, a risk-free interest rate of 0.26%, an expected unit life of 2 years, no expected dividend yield and a share price at date of grant of \$0.15. As a result, the warrants were valued at \$207,029 and deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
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(Expressed in Canadian dollars unless otherwise noted)

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**8) EQUITY (continued)**

*Non-brokered private placement (continued)*

In connection with the financing, finder's fees in the aggregate amount of \$7,935 in cash and warrants to acquire an aggregate 88,161 shares at a per share price of \$0.13 until June 17, 2022, subject to accelerated expiry in certain circumstances, were paid to an arm's-length finder who introduced the Company to investors.

The Black-Scholes options pricing model was retained to estimate the fair value of the 88,161 non-transferable finders warrants with the following assumptions: an expected volatility of 110.12%, a risk-free interest rate of 0.26%, an expected unit life of 2 years, no expected dividend yield and a share price at date of grant of \$0.13. As a result, the warrants were valued at \$7,879 and recorded as an increase of issuance costs, deducted from share capital, and as an increase of Warrants in the statement of changes in equity. The Company also incurred legal fees and other fees in relation with the private placement for a total of \$25,652.

*2019 transactions on share capital*

On January 31, 2019, 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.

*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.

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



**8) EQUITY (continued)**

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

	For the three months ended June 30, 2020		For the year ended December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	2,660,312	\$ 0.12	2,260,000	\$ 0.11
Granted	665,000	0.11	500,312	0.16
Forfeited	-	-	(100,000)	0.05
Outstanding, end of period	3,325,312	\$ 0.12	2,660,312	\$ 0.12

*Incentive stock options granted in 2020*

On June 26, 2020, the Company granted to directors, officers and consultants incentive stock options entitling the purchase 665,000 common shares at an exercise price of \$0.115 per share. The options are exercisable for a period of 5 years until June 26, 2025. All options are exercisable immediately.

The fair value of the 665,000 stock options has been estimated on the date of issue at \$58,920, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.115; expected dividend yield: nil; expected volatility: 120.06%; risk-free interest rate: 0.31%; expected life: 5 years and exercise price at the date of grant: \$0.115 per share.

For the three and six months ended June 30, 2020, an amount of \$58,620 has been expensed as share-based payments in the statement of net loss.

*Incentive stock options granted in 2019*

- a) 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 six months ended June 30, 2019, an amount of \$nil and \$7,484 has been expensed as share-based payments in the statement of net loss.

**INTERNATIONAL PROSPECT VENTURES INC.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
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(Expressed in Canadian dollars unless otherwise noted)

**8) EQUITY (continued)**

b) 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 six months ended June 30, 2019, an amount of \$52,688 has been expensed as share-based payments in the statement of net loss and of \$10,581 has been capitalized to Exploration and Evaluation Assets.

The table below summarizes the information related to outstanding share options as at June 30, 2020:

<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
June 26, 2025	\$ 0.110	665,000
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		<b>3,325,312</b>

**9) 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 June 30,		For the six months ended June 30,	
	<b>2020</b>	2019	<b>2020</b>	2019
Net loss for the period	\$ <b>98,897</b>	\$ 101,567	\$ <b>137,676</b>	\$ 165,418
Weighted average number of common shares - Basic	<b>27,983,286</b>	27,103,128	<b>32,824,158</b>	26,829,095
Dilutive effect of stock options	-	-	-	-
Weighted average number of common shares - Diluted	<b>27,983,286</b>	27,103,128	<b>32,824,158</b>	26,829,095
Basic loss per share	\$ <b>0.004</b>	\$ 0.004	\$ <b>0.004</b>	\$ 0.006
Diluted loss per share	<b>0.004</b>	0.004	<b>0.004</b>	0.006

For the three and six months ended June 30, 2020 and 2019, potential dilutive common shares from 1,565,000 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.

**INTERNATIONAL PROSPECT VENTURES INC.**  
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**10) RELATED PARTY TRANSACTIONS**

*a) Transactions with a shareholder*

For the three and six months ended June 30, 2020, no amounts were recharged by Golden Valley for general and administrative expenses to the Company (\$3,000 and \$6,793 were recharged for the three and six months ended June 30, 2019, respectively, which were recorded in the statement of net loss).

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 June 30, 2020, the Company had indebtedness of \$63,696 (December 31, 2019 - \$68,520) to Golden Valley, which is included in due to related parties.

*b) Transactions with key management*

Key management personnel of the Company comprise 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 six months ended June 30, 2020, no consultant fees (for the three and six months ended June 30, 2019 - \$3,000 and \$6,000, respectively) were by 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.

As at June 30, 2020, the Company has an advance to a director in the amount of \$1,465 (December 31, 2019 - \$1,465) which bears no interest and is repayable on demand. The advance is to facilitate any corporate expenditures relating to the Company’s operations in Australia.

*c) Transactions with related parties*

For the three and six months ended June 30, 2020, the Company was recharged exploration and evaluation expenses for a total of \$nil and \$2,063, respectively (general and administrative for the three and six months ended June 30, 2019 of \$8,845 and \$21,163, respectively) from Val-d’Or Mining Corporation (“Val-d’Or Mining”), an entity that has common key management personnel with the Company.

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 June 30, 2020, the Company had no indebtedness (December 31, 2019 – \$33,183) to Val-d’Or Mining.



# **INTERNATIONAL PROSPECT VENTURES INC.**

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#### **11) 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 8 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

#### **12) 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 \$356,000 (or AUD\$379,000) annually under which the tenements were granted.