

---

**RILEY RESOURCES CORP.**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
For the Three Months Ended March 31, 2020 and 2019  
(Unaudited)  
(Expressed in Canadian Dollars)

---

**Notice of No Auditor Review of Interim Financial Statements**

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

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

# RILEY RESOURCES CORP.

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
Current Assets		
Cash	\$ 145,224	\$ 170,049
Prepaid expenses	7,198	6,532
Taxes receivable	1,013	4,130
Other receivable	-	1,365
	<u>153,435</u>	<u>182,076</u>
Exploration and evaluation assets (Note 3)	<u>161,129</u>	<u>161,129</u>
	<u>\$ 314,564</u>	<u>\$ 343,205</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ <u>8,671</u>	\$ <u>15,051</u>
	8,671	15,051
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 4)	615,298	615,298
Contributed surplus	109,249	107,081
Deficit	<u>(418,654)</u>	<u>(394,225)</u>
	<u>305,893</u>	<u>328,154</u>
	<u>\$ 314,564</u>	<u>\$ 343,205</u>

### NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These financial statements were approved for issue by the Audit Committee of the Board of Directors on May 21, 2020 and are signed on its behalf by:

Approved by "Todd Hilditch", Director "Cyndi Laval", Director

# RILEY RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

	Three Month Period Ended March 31, 2020	Three Month Period Ended March 31, 2019
Consulting fees	\$ 5,205	\$ 11,558
Insurance expense	3,234	3,096
Interest and bank charges	54	528
Office supplies and rent	4,968	6,918
Professional fees	-	975
Shareholder reporting	1,447	313
Share-based payments	2,168	9,071
Transfer agent and filing fees	7,353	7,446
Travel	-	98
	<u>                    </u>	<u>                    </u>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>          (24,429)          </u>	<u>          (40,003)          </u>
<b>LOSS PER SHARE, BASIC AND DILUTED</b>	\$ <u>          (0.00)          </u>	\$ <u>          (0.00)          </u>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<u>          10,681,755          </u>	<u>          10,681,755          </u>

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

## RILEY RESOURCES CORP.

### CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Total Equity
Balance, December 31, 2018	10,681,755	\$	615,298		85,042		(271,972)		428,368
Share-based payments	-		-		9,071		-		9,071
Net loss for the period	-		-		-		(40,003)		(40,003)
Balance, March 31, 2019	10,681,755	\$	615,298	\$	94,113		(311,975)		397,436
Balance, December 31, 2019	10,681,755		615,298		107,081		(394,225)		328,154
Share-based payments	-		-		2,168		-		2,168
Net loss for the period	-		-		-		(24,429)		(24,429)
Balance, March 31, 2020	10,681,755	\$	615,298	\$	109,249	\$	(418,654)	\$	305,893

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

## RILEY RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

	March 31, 2020	March 31, 2019
<b>CASH (USED IN) PROVIDED BY</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ (24,429)	\$ (40,003)
Items not affecting cash		
Share-based payments	<u>2,168</u>	<u>9,071</u>
	(22,261)	(30,932)
Changes in non-cash working capital accounts:		
Prepaid expenses	(666)	(804)
Taxes receivable	4,482	(1,394)
Accounts payable and accrued liabilities	<u>(6,380)</u>	<u>(4,483)</u>
	<u>(24,825)</u>	<u>(37,613)</u>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	<u>-</u>	<u>(10,000)</u>
<b>NET CHANGE IN CASH</b>	(24,825)	(47,613)
<b>CASH, BEGINNING OF PERIOD</b>	<u>170,049</u>	<u>304,394</u>
<b>CASH, END OF PERIOD</b>	<u>\$ 145,224</u>	<u>\$ 256,781</u>

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

# RILEY RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

---

Riley Resources Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 3, 2011. The Company’s office is located at Suite 2390 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. On January 8, 2015, the Company completed its initial public offering of 2,000,000 common shares at \$0.10 per share for gross cash proceeds of \$200,000 and has listed its common shares on the TSX Venture Exchange (“TSXV”, or the “Exchange”) under the trading symbol RLY. On October 13, 2016, the Company entered into an exploration and option agreement with MSM Resource L.L.C. (“MSM”) to acquire MSM’s undivided interest in the East Manhattan Wash Property (Note 3). The transaction received final approval of the TSXV on March 29, 2017. As a result, the Company became a Tier 2 TSXV mining issuer.

The Company is a precious metals exploration company engaged in the acquisition and exploration of mineral properties. The Company currently has an exploration property in the United States of America. To date, no mineral development projects have been completed and no commercial development or production has commenced. Based on the information available to date, the Company has not yet determined whether its mineral property contains economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development programs and ultimately upon future profitable production.

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

---

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

---

### (a) Statement of Compliance

The Company’s condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2019 which have been prepared according to IFRS as issued by the IASB.

The Audit Committee of the Board of Directors authorized for publication the unaudited condensed interim financial statements on May 21, 2020.

---

## 3. EXPLORATION AND EVALUATION ASSETS

---

On October 13, 2016, the Company entered into an exploration and option agreement (the “Agreement”) with MSM Resource L.L.C. (“MSM”), pursuant to which the Company has been granted an option to acquire MSM’s undivided interest in the East Manhattan Wash (the “Property”), located in Nye County, Nevada and is comprised of 6 unpatented lode mining claims controlled by MSM.

## RILEY RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

### 3. EXPLORATION AND EVALUATION ASSETS

Pursuant to the terms of the Agreement, in order to earn MSM's interest in the Property, the Company must: pay to MSM option payments in the aggregate of C\$57,500 as follows:

- C\$5,000 cash upon execution of the agreement (paid);
- C\$7,500 before the first anniversary date of TSXV final approval of filing QT, March 29, 2018 (the "Anniversary") (paid);
- C\$10,000 before the second Anniversary (paid);
- C\$15,000 before the third Anniversary (complete – the Company paid MSM a one-time payment of C\$5,000 in lieu of the third Anniversary payment) ; and
- C\$20,000 before the fourth Anniversary.

Work commitments in the aggregate of C\$550,000 must be met as follows:

- C\$50,000 before the first Anniversary (complete);
- C\$50,000 before the second Anniversary (complete – the Company paid MSM a one-time payment of C\$15,000 in lieu of the second Anniversary work commitment);
- C\$100,000 before the third Anniversary (complete – the Company paid MSM a one-time payment of C\$20,000 in lieu of the third Anniversary work commitment);
- C\$150,000 before the fourth Anniversary; and
- C\$200,000 before the fifth Anniversary.

In addition, the Company must grant MSM a 3% net smelter return royalty on the Property, and finally must pay MSM an additional lump sum payment of C\$200,000 within five years from signing the Agreement.

Exploration and evaluation asset activity during the period:

	Period Ended March 31, 2020	Activity	Year Ended December 31, 2019	Activity	Year Ended December 31, 2018
<b>EAST MANHATTAN WASH PROPERTY</b>					
Property acquisition costs and option payments	95,816	\$ -	\$ 95,816	\$ 25,000	\$ 70,816
Property maintenance costs	3,803	-	3,803	1,344	2,459
Engineering and consulting	39,995	-	39,995	-	39,995
Assays and analysis	6,764	-	6,764	-	6,764
Geophysical surveys	9,892	-	9,892	-	9,892
Communications, field supplies and expenses	4,859	-	4,859	29	4,830
<b>TOTAL EXPLORATION AND EVALUATION ASSETS</b>	<b>161,129</b>	<b>\$ -</b>	<b>\$ 161,129</b>	<b>\$ 26,373</b>	<b>\$ 134,756</b>

### 4. SHARE CAPITAL

#### (a) Authorized

At March 31, 2020, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.



# RILEY RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

## 4. SHARE CAPITAL (Cont'd)

### (b) Stock Options

The Company has a share purchase option plan under which directors, officers, employees and consultants of the Company are eligible to receive share purchase options. The aggregate number of shares available to be issued upon the exercise of all share purchase options granted under the plan shall not exceed 10% of the issued and outstanding shares of the Company. The plan limits the maximum number of share purchase options issuable in any one 12-month period to any one optionee to 5% of the total common shares outstanding. The Board of Directors shall determine the terms and provisions of the options at the time of grant. The exercise price of each share purchase option shall not be less than the market price of the common shares on the date of the grant less the discount permitted by the Exchange. The maximum term of share purchase options shall not exceed 10 years, or such other term as permitted by the Exchange.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measures of the fair value of the Company's share purchase options.

As at March 31, 2020, the Company had outstanding share purchase options enabling holders to acquire common shares of the Company as follows:

Number	Vested	Price per share	Expiry date
705,000	705,000	\$ 0.10	January 8, 2025
240,000	240,000	\$0.145	September 20, 2028
100,000	75,000	\$0.15	March 12, 2029
1,045,000	1,020,000		

A summary of the Company's options and the changes for the period/year are as follows:

	March 31, 2020		December 31, 2019	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of the period/year	1,045,000	\$ 0.12	945,000	\$0.11
Granted	-	-	100,000	\$0.15
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding, end of the period/year	1,045,000	\$0.12	1,045,000	\$0.12

# RILEY RESOURCES CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

---

## 4. SHARE CAPITAL (Cont'd)

---

### (b) Stock Options (cont'd)

During the period ended March 31, 2020, the Company did not grant any stock options.

During the year ended December 31, 2019, the Company granted 100,000 stock options to a director of the Company. The weighted average grant-date fair value of the stock options granted during the year ending December 31, 2019 is \$0.13.

The weighted average remaining contractual life of the outstanding stock options at March 31, 2020 was 6.03 (December 31, 2019 – 6.28) years.

The weighted average fair value of the stock options granted was determined by using the Black-Scholes option pricing model with the following assumptions:

	Period ended March 31, 2020	Year ended December 31, 2019
Risk-free interest rate	-	1.75%
Estimated volatility	-	98.42%
Expected life	-	9.25 years
Expected dividend yield	-	Nil

---

## 5. FINANCIAL INSTRUMENTS

---

Financial instruments consist of cash, taxes receivable and accounts payable and accrued liabilities:

### a) Fair value

The carrying value of cash and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

### b) Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and taxes receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and taxes receivable is remote.

---

## 6. CAPITAL RISK MANAGEMENT

---

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future

## **RILEY RESOURCES CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(Unaudited - Expressed in Canadian Dollars)

---

### 7. RELATED PARTY DISCLOSURES

---

As at March 31, 2020, \$687 (December 31, 2019 - \$2,847) of accounts payable and accrued liabilities was payable to a company with directors and officers in common.

As at March 31, 2020, \$Nil (December 31, 2019 - \$1,365) of accounts receivable was receivable from a company with a director and/or officer in common.

During the period ended March 31, 2020, \$Nil (March 31, 2019 - \$1,020) was paid to a law firm in which a director is a partner. During the period ended March 31, 2020, the Company incurred rental fees and shared office expenses of \$4,395 to companies with a director and/or officer in common (March 31, 2019 - \$6,411). During the period ended March 31, 2020, the Company incurred consulting fees of \$Nil to a company with directors and officers in common (March 31, 2019 - \$9,000).

During the period ended March 31, 2020, the Company incurred share-based payments of \$2,107 (March 31, 2019 - \$8,743) to officers and directors of the Company.