

ESSEX MINERALS INC.

Condensed Interim Financial Statements

For the Three and Nine Months Ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

ESSEX MINERALS INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The Company's auditors have not reviewed or been involved in the preparation of these condensed interim financial statements.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor, for the nine months ended June 30, 2020 and 2019.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

ESSEX MINERALS INC.

Condensed Interim Statements of Financial Position
Unaudited - Expressed in Canadian dollars

	Note	June 30, 2020	September 30, 2019
ASSETS			
Current assets			
Cash and cash equivalent		\$ 1,263,994	\$ 46,793
Receivables	3	46,298	21,103
Receivables for shares issued	7,11	57,500	-
Prepaid expenses and deposit		170,475	15,000
		1,538,267	82,896
Non-current assets			
Advance	4	217,382	-
Total assets		\$ 1,755,649	\$ 82,896
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 174,575	\$ 257,562
Loan payable	6	-	113,400
Total liabilities		174,575	370,962
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	7	3,482,257	888,219
Reserves	7	379,206	303,239
Deficit		(2,280,389)	(1,479,524)
Total shareholders' equity (deficit)		1,581,074	(288,066)
Total liabilities and shareholders' equity (deficit)		\$ 1,755,649	\$ 82,896

Nature of Operations and Going Concern - Note 1
Subsequent Event – Note 11

These condensed interim financial statements are authorized for issue by the Board of Directors on August 24, 2020:

They are signed on the Company's behalf by:

"Paul Loudon"
Director/CEO

"James Harris"
Director

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

ESSEX MINERALS INC.

Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited - Expressed in Canadian dollars, except for number of shares

		Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
	Note				
Operating Expenses					
Management and consulting fees	8	\$ 70,262	\$ -	\$ 315,262	\$ 30,000
General and administration		5,106	(467)	32,484	14,218
Professional fees	8	48,200	30,344	109,627	109,344
Regulatory and transfer agent fees		2,029	1,936	21,419	12,626
Property investigation costs	8	91,414	-	307,119	-
Travel and promotion		1,268	-	12,354	-
Total expenses		(218,279)	(31,813)	(798,265)	(166,188)
Other Items					
Interest expense	6	-	-	(2,600)	-
Foreign exchange gain		(1,323)	-	-	-
Loss and comprehensive loss		\$ (219,602)	\$ (31,813)	\$ (800,865)	\$ (166,188)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.02)	\$ (0.09)	\$ (0.08)
Weighted average number of common shares outstanding		18,828,226	2,085,001	9,253,280	2,085,001

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

ESSEX MINERALS INC.Condensed Interim Statements of Cash Flows
Unaudited - Expressed in Canadian dollars

	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Operating activities		
Net loss for the period	\$ (800,865)	\$ (166,188)
Adjustment for non-cash item:		
Interest expense	2,600	-
Changes in non-cash working capital items:		
Receivables	(25,195)	(6,659)
Prepaid expenses and deposit	(155,475)	-
Due to related parties	-	31,500
Accounts payable and accrued liabilities	(117,059)	157,851
Net cash flows provided by (used in) operating activities	(1,095,994)	16,504
Investing activities		
Loan repayment	(116,000)	-
Advance	(217,382)	-
Net cash flows used in investing activities	(333,382)	-
Financing activities		
Shares issued for cash (net of issuance costs)	2,646,577	-
Net cash flows provided by financing activities	2,646,577	-
Net change in cash	1,217,201	16,504
Cash and cash equivalent, beginning	46,793	89,694
Cash and cash equivalent, ending	\$ 1,263,994	\$ 106,198
Non cash transaction:		
Common shares issued for finder's fee	\$ 145,150	\$ -

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ESSEX MINERALS INC.

Condensed Interim Statement of Changes in Shareholders' Equity

Unaudited - Expressed in Canadian dollars, except for number of shares

	Common Shares					
	Note	Number	Amount	Reserves	Deficit	Total
Balance, September 30, 2018		2,085,001	\$ 888,219	\$ 303,239	\$ (772,125)	\$ 419,333
Net loss for the period		-	-	-	(166,188)	(166,188)
Balance at June 30, 2019		2,085,001	\$ 888,219	\$ 303,239	\$ (938,313)	\$ 253,145
Balance, September 30, 2019		2,085,001	\$ 888,219	\$ 303,239	\$ (1,479,524)	\$ (288,066)
Share issued, private placements	7	20,240,000	2,810,000	-	-	2,810,000
Share issuance costs - finder's shares	7	1,451,500	-	-	-	-
Share issuance costs - finders' warrants	7	-	(75,967)	75,967	-	-
Share issuance costs	7	-	(139,995)	-	-	(139,995)
Net loss for the period		-	-	-	(800,865)	(800,865)
Balance at June 30, 2020		23,776,501	\$ 3,482,257	\$ 379,206	\$ (2,280,389)	\$ 1,581,074

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

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
Unaudited - Expressed in Canadian dollars

1. Nature of Operations and Going Concern

Essex Minerals Inc. (the “Company”) was incorporated on November 19, 2012 under the Business Corporations Act (British Columbia). The Company’s principal business activity is the exploration of mineral properties. The Company currently conducts substantially all of its operations in Canada in one business segment.

On December 22, 2016, the Company received a receipt of the British Columbia Securities Commission for the Long Form Prospectus dated December 20, 2016 (the prospectus). On March 15, 2017, the Company completed an Initial Public Offering and its shares were listed on the TSX Venture Exchange.

The head office and principal address of the Company is located at 3002-1211 Melville Street, Vancouver, BC V6E 0A7, and the registered and records office of the Company is located at 2500- 700 W Georgia Street, Vancouver, BC V7Y 1B3.

These condensed interim financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company emphasises that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern the most significant of these being the Company’s ability to carry out its business objectives dependent on the Company’s ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. As at June 30, 2020, the Company has no properties in commercial production, continues to incur operating losses and no source of operating cash flow. The Company is considering a number of alternatives to secure additional capital including obtaining funding facilities or equity financings. Although management intends to secure additional financing there is no assurance management will be successful or that it will establish future profitable operations. These factors together raise substantial doubt about the Company’s ability to continue as a going concern.

	June 30, 2020		September 30, 2019
Deficit	\$ (2,280,257)	\$	(1,479,524)
Working capital (deficiency)	\$ 1,363,692	\$	(280,066)

If the going concern assumption was not appropriate for these condensed interim financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the condensed interim statements of financial position classifications used, and such amounts would be material.

Since March 2020, 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 operations in future periods.

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements

Nine Months Ended June 30, 2020 and 2019

Unaudited - Expressed in Canadian dollars

2. Statement of Compliance, Basis of Presentation and New Accounting Policy

The condensed interim financial statements were approved by the Board of Directors of the Company on August 24, 2020.

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee. They do not include all of the information required for full annual financial statements.

Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurement standards under IFRS. The condensed interim financial statements are presented in Canadian dollars unless otherwise specified.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

New Accounting Policy

IFRS 16 – Leases

On October 1, 2019, the Company adopted IFRS 16 – Leases is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and lessor. It introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. The adoption of this new standard did not have a material impact on the condensed interim financial statements of the Company since the Company does not have any lease.

3. Receivables

Receivables consist of the following:

	June 30, 2020	September, 2019
	\$	\$
GST receivable	45,998	20,821
Other receivable	300	282
Receivables	46,298	21,103

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements

Nine Months Ended June 30, 2020 and 2019

Unaudited - Expressed in Canadian dollars

4. Advance

Advance for Australian gold properties

On May 1, 2020, the Company announced the signing of an earn-in joint venture over three exploration properties in Australia selected for their potential to host large, high-grade gold deposits. The properties were assembled by a private Australian company KNX Resources Ltd ("KNX") in the Georgetown region of Queensland and the Pine Creek region of the Northern Territory.

The three properties are:

Cumberland

Five granted exploration permits covering 26,000 ha, 30 km from Georgetown, North Queensland, 70 km northwest of the former 3.5 million-ounce Kidston gold mine. The property has the potential to host high-grade epithermal gold mineralisation and is currently held 80% by KNX and 20% by another Australian private company, AMD Resources Ltd ("AMD"). The property has a number of drill-ready exploration targets.

Mt. Turner

A granted exploration permit covering 6,000 ha, 30 km northeast of Cumberland with potential to host highgrade epithermal mineralisation and large gold-copper porphyry mineralisation. This property is held 100% by KNX.

Compass Creek

Three granted exploration permits covering 6,400 ha in Pine Creek goldfield, 28 km north of Kirkland Lake's 2.5Mtpa Union Reefs mill. The property has the potential to host large high-grade orogenic gold mineralisation and is held 80% by KNX and 20% by AMD.

Under the terms of the venture, Essex has the right to earn an initial First Stage Earn-in of 50% of KNX's interest in the three properties by spending AUD \$1,000,000 on exploration by May 2021.

The Company has committed to spend an initial AUD \$125,000 within three months to pay for aerial lidar mapping and assaying of soil samples to better position initial drill programs and completion of NI 43-101 property reports.

At the end of the First Stage Earn-in, Essex has the right to acquire the balance of KNX's interest in the properties at independent valuation or earn an additional 25% interest in Mt Turner and 20% interest in Cumberland and Compass Creek by funding a further AUD \$3,000,000 on exploration.

As at June 30, 2020 the company advanced \$217,382 to KNX as part of its initial First Stage Earn-In on the KNX properties.

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
Unaudited - Expressed in Canadian dollars

5. Accounts Payable and Accrued Liabilities

	June 30, 2020	September 30, 2019
	\$	\$
Accounts payable	94,598	162,872
Amounts due to related parties (Note 8)	23,383	94,500
Accrued liabilities	56,594	190
Accounts payable and accrued liabilities	174,575	257,562

6. Loan Payable

On October 1, 2018, the Company received a loan of \$106,000 from a third party. The loan bore interest at 7% per annum and was payable on demand. During the period ended June 30, 2020, the Company repaid the loan principal plus accrued interest for a total of \$116,000.

As at June 30, 2020, the loan payable is \$Nil (September 30, 2019: \$113,400).

7. Share Capital

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and outstanding

As at June 30, 2020, 23,776,501 (September 30, 2019: 2,085,001) common shares with no par value were issued and outstanding.

On January 31, 2020, the Company consolidated all the issued and outstanding common shares on a five for one basis. The consolidation has reduced the common shares issued and outstanding from 10,425,007 pre-consolidated to 2,085,001 post-consolidated common shares. All shares figures and references in the condensed interim financial statement have been retroactively adjusted to reflect the share consolidation.

On March 9, 2020, the Company completed the first tranche of a non-brokered private placement financing, issuing 12,675,000 common shares at a price of \$0.10 per share for gross proceeds of \$1,267,500.

On March 17, 2020, the Company completed the second tranche of a non-brokered private placement financing, issuing 2,325,000 common shares at a price of \$0.10 per share for gross proceeds of \$232,500.

On April 23, 2020, in connection with the March 2020 private placement, the Company paid finder's fee by issuing 1,451,500 common shares at a price of \$0.10 per share.

On June 25, 2020, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$1,290,000 and issued 5,160,000 common shares at a price of \$0.25 per share. As at June 30, 2020, proceeds of \$37,500 have not yet been received and are included in "Receivables for shares issued" in the condensed interim statements of financial position (Note 11).

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements

Nine Months Ended June 30, 2020 and 2019

Unaudited - Expressed in Canadian dollars

7. Share Capital (cont'd...)

b) Issued and outstanding (cont'd...)

In connection with the June 25, 2020 private placement, finders' fee of \$63,000 in cash and 252,000 warrants with a fair value of \$75,967 were paid. The finders' warrants are exercisable at a price of \$0.25 for a period of two years from the date of issuance.

On June 30, 2020, the Company closed the second tranche of a non-brokered private placement for gross proceeds of \$20,000 and issued 80,000 common shares at a price of \$0.25 per share. As at June 30, 2020, proceeds of \$20,000 have not yet been received and are included in "Receivables for shares issued" in the condensed interim statements of financial position (Note 11).

During the period ended June 30, 2020, share issuance costs of \$361,113 were incurred in connection with the March and June 2020 private placements.

c) Escrow shares

As at June 30, 2020, the Company has \$Nil (September 30, 2019: 87,030) common shares held in escrow. These common shares held in escrow are released as follows:

- 10% released on the date the Company's securities are listed on a Canadian exchange (58,020 released on March 15, 2017); and
- 15% released every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 - *Escrow for Initial Public Offerings* (87,030 released on September 15, 2017, 87,030 released on March 15, 2018, 87,030 released on September 15, 2018, 87,030 released on March 15, 2019, 87,030 released on September 15, 2019 and 87,030 released on March 15, 2020).

d) Warrants

In connection with the June 25, 2020 private placement, 252,000 finders' warrants were issued. Each warrant gives the holder the right to acquire one share of the Company at a price of \$0.25 for a term of two years. The finders' warrants were valued at \$75,967 using the Black-Scholes pricing model with the following assumptions: risk free rate of 0.29%, volatility of 196.18%, dividends of nil, and expected life of two years.

The changes in warrants during the period ended June 30, 2020 and year ended September 30, 2019, are as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, September 30, 2018 and 2019	-	-
Issued	252,000	0.25
Balance, June 30, 2019	252,000	0.25

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Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
Unaudited - Expressed in Canadian dollars

7. Share Capital (cont'd...)

d) Warrants (cont'd...)

Warrants outstanding at June 30, 2020 are as follows:

Number of Warrants	Exercise Price	Expiry Date
252,000	\$ 0.25	June 26, 2022

e) Stock options

As at June 30, 2020, the Company has no stock options outstanding.

8. Related Party Balances and Transactions

Balances

At June 30, 2020, the Company has \$23,383 (September 30, 2019 - \$94,500) due to related parties included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no specified terms of repayment.

Transactions

During the period ended June 30, 2020 and 2019, the Company has the following related party transactions:

	June 30, 2020	June 30, 2019
	\$	\$
Management and consulting fees - current directors and officers	77,762	-
Management and consulting fees - former director and officer	3,500	30,000
Professional fees - former officer	6,000	-
Prepaid fees	24,000	-
Advance for earn-in joint venture	41,800	-
Property investigation costs	58,810	-
	211,872	30,000

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
Unaudited - Expressed in Canadian dollars

9. Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to Note 1 for further details related to the ability of the Company to continue as a going concern.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2020, the Company had a cash and cash equivalent balance of \$1,263,994 (September 30, 2019: \$47,793) to settle current liabilities of \$174,575 (September 30, 2019: \$370,960). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company's cash is held in large Canadian financial institutions. The Company has not experience nor is exposed to any significant credit losses. As a result, the Company's exposure to credit risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

Fair value

The Company's financial instruments measured at fair value consist of cash and cash equivalent, receivables (excluding GST), receivables for shares issued, accounts payable and accrued liabilities, and loan payable. The carrying values of cash and cash equivalent, receivables (excluding GST), receivables for shares issued, accounts payable and accrued liabilities, and loan payable approximate their fair values due to their short-term in nature and/or the existence of market related interest rates on the instruments.

Financial instruments measure at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of fair value hierarchy are:

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

All financial instruments are classified as Level 1.

ESSEX MINERALS INC.

Notes to the Condensed Interim Financial Statements
Nine Months Ended June 30, 2020 and 2019
Unaudited - Expressed in Canadian dollars

10. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The capital structure of the Company consists of shareholder's equity, comprising issued capital, reserves and deficit. The Company is not exposed to any externally imposed requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Subsequent Events

Receivable for shares issued

Subsequent to June 30, 2020, receivables for shares issued of \$57,500 were received.

Gold Stream Joint Venture

On July 13, 2020 the Company announced that it has signed a gold stream joint venture agreement with Zola Minerals Inc. ("Zola"), an arm's length private streaming and royalty company whereby the Company has the option to participate for a 50% interest in any gold streams on the projects in exchange for paying Zola \$300,000 cash and financing the upfront payment of up to US\$4.5 million on the first project. Gross profits generated will be shared 50:50 with Zola, subject to a minimum IRR to the Company of 15% on funds invested.

The Company also has an option to acquire Zola, its subsidiaries or its business based on an independent valuation should the directors of Zola decide to sell any time before July 9, 2021. This option will remain in place, even if no gold streams on the initial projects proceed.

Stock Option Grant

On July 17, 2020 the Company announced that it has granted incentive stock options to its directors and officers to purchase up to an aggregate 2,100,000 common shares in the capital of the Company (the "Options").

The Options are exercisable for a period of 5 years, expiring on July 17, 2025, at an exercise price of \$0.40 per share, being a \$0.05 (14.3%) premium to the last closing price of Essex common shares on the TSX Venture Exchange (on July 14, 2020), prior to the date of the grant. All Options were granted in accordance with the Company's stock option plan.

Signing of Investor Relation Agreement and Market-making Services

On July 15, 2020 the Company announced that it has entered into investor relations agreements with Harbor Access LLC (controlled by Jonathan Paterson and John Hartwell) ("Harbor Access"), based in Toronto ON and with Proactive Investors North America Inc. ("Proactive") based in Vancouver BC. Harbor Access will be paid US\$7,000 per month for an initial six-month period and Proactive Investors will be paid \$20,000 for an initial 12-month contract.

On July 24, 2020 the Company announced that subject to regulatory approval, it has retained Independent Trading Group (ITG), Inc. ("ITG") to provide market-making services to the Company (the "Engagement"). ITG will be paid \$5,000 per month, for an initial term of three months.