

**INTERNATIONAL MILLENNIUM MINING CORP.**  
**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**

**(Expressed in Canadian Dollars)**

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**International Millennium Mining Corp.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**September 30, 2020**

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

The accompanying unaudited condensed consolidated financial statements of International Millennium Mining Corp. for the three and nine months ended September 30, 2020, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

**International Millennium Mining Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Expressed in Canadian Dollars)**

	September 30, 2020 \$ (unaudited)	December 31, 2019 \$
<b>Assets</b>		
<b>Current</b>		
Cash	297,086	4,368
Amounts receivable	694	4,102
Prepaid expenses (Note 8)	27,533	-
<b>Total current assets</b>	<b>325,313</b>	<b>8,470</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 5 and Schedule)	6,405,278	6,084,535
<b>Total assets</b>	<b>6,730,591</b>	<b>6,093,005</b>
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	41,790	128,362
Current portion of convertible debentures (Note 6)	-	6,546
Due to related parties (Note 8)	27,025	219,955
Loan payable	-	2,790
<b>Total current liabilities</b>	<b>68,815</b>	<b>357,653</b>
<b>Non-current liabilities</b>		
Convertible debentures (Note 6)	61,771	105,094
<b>Total liabilities</b>	<b>130,586</b>	<b>462,747</b>
<b>Shareholders' equity</b>		
Share capital	20,452,368	19,551,012
Equity reserves	1,116,289	1,065,953
Accumulated other comprehensive income	1,343,744	1,180,496
Deficit	(16,312,396)	(16,167,203)
<b>Total shareholders' equity</b>	<b>6,600,005</b>	<b>5,630,258</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,730,591</b>	<b>6,093,005</b>

Nature of operations (Note 1)

Subsequent event (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on November 27, 2020:

\_\_\_\_\_  
 "John A. Versfelt"                      Director

\_\_\_\_\_  
 "Robert Drago"                         Director

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**International Millennium Mining Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS ON OPERATIONS AND COMPREHENSIVE LOSS**  
**(Expressed in Canadian Dollars)**  
**(unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Expenses</b>				
Accounting and legal	3,000	31,560	25,800	48,360
Administration fees (Note 8)	9,000	18,000	27,000	54,000
Consulting fees	5,550	-	16,550	-
Depreciation	-	6,490	-	19,470
Directors' fees (Note 8)	13,500	9,250	20,250	25,750
Investor relations	-	3,624	-	8,418
Loss on foreign exchange	2,496	1,596	5,495	5,274
Office	3,160	15,293	10,224	42,498
Transfer agent and filing fees	8,127	4,708	21,524	40,558
<b>Total expenses</b>	<b>44,833</b>	<b>90,521</b>	<b>126,843</b>	<b>244,328</b>
<b>Loss before other income and expense</b>	<b>(44,833)</b>	<b>(90,521)</b>	<b>(126,843)</b>	<b>(244,328)</b>
<b>Other income (expense)</b>				
Finance costs (Note 6)	(4,976)	-	(11,984)	(30,050)
Interest expense	-	(2,518)	-	(2,518)
Impairment of exploration and evaluation assets (Note 5 and Schedule)	-	(32,442)	-	(32,442)
Accretion expense (Note 6)	(4,917)	-	(6,361)	-
Loss on debt settlement	(121)	-	(121)	-
Other income	116	-	116	-
<b>Total other income (expense)</b>	<b>(9,898)</b>	<b>(34,960)</b>	<b>(18,350)</b>	<b>(65,010)</b>
<b>Net loss for the period</b>	<b>(54,731)</b>	<b>(125,481)</b>	<b>(145,193)</b>	<b>(309,338)</b>
<b>Other comprehensive income (loss)</b>				
Foreign currency translation gain (loss)	137,625	-	(163,248)	-
<b>Comprehensive income (loss) for the period</b>	<b>82,894</b>	<b>(125,481)</b>	<b>(308,441)</b>	<b>(309,338)</b>
<b>Loss per share, basic and diluted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Weighted average number of shares outstanding - basic and diluted</b>				
	<b>194,011,669</b>	<b>171,302,476</b>	<b>182,873,322</b>	<b>171,302,476</b>

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**International Millennium Mining Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS ON CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)  
(unaudited)

	Share Capital		Equity reserves \$	Accumulated other comprehensive income \$	Deficit \$	Total \$
	Number of shares	Amount \$				
Balance, December 31, 2018	171,302,476	19,551,012	1,060,366	1,485,408	(15,660,906)	6,435,880
Net loss for the period	-	-	-	-	(309,338)	(309,338)
<b>Balance, September 30, 2019</b>	<b>171,302,476</b>	<b>19,551,012</b>	<b>1,060,366</b>	<b>1,485,408</b>	<b>(15,970,244)</b>	<b>6,126,542</b>
Balance, December 31, 2019	171,302,476	19,551,012	1,065,953	1,180,496	(16,167,203)	5,630,258
Shares issued for settlement of debt	15,899,500	317,990	-	-	-	317,990
Equity component of convertible debentures	-	-	10,417	-	-	10,417
Shares issued for private placement	32,973,250	659,465	-	-	-	659,465
Share issuance costs	-	(76,099)	39,919	-	-	(36,180)
Foreign currency translation adjustment	-	-	-	163,248	-	163,248
Net loss for the period	-	-	-	-	(145,193)	(145,193)
<b>Balance, September 30, 2020</b>	<b>220,175,226</b>	<b>20,452,368</b>	<b>1,116,289</b>	<b>1,343,744</b>	<b>(16,312,396)</b>	<b>6,600,005</b>

(The accompanying notes are an integral part of these condensed consolidated financial statements)

**International Millennium Mining Corp.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Expressed in Canadian Dollars)**  
**(unaudited)**

	For the nine months ended September 30,	
	2020 \$	2019 \$
Operating activities		
Net loss for the period	(145,193)	(309,338)
Items not affecting cash:		
Impairment of exploration and evaluation assets	-	32,442
Loss on debt settlement	121	
Other income	(116)	
Accretion expense	6,361	-
Depreciation	-	19,470
Changes in non-cash working capital items:		
Amounts receivable	3,408	10,275
Prepaid expenses	-	(36,500)
Accounts payable and accrued liabilities	7,794	218,494
Due to/from related parties	(5,447)	-
<b>Net cash used in operating activities</b>	<b>(133,072)</b>	<b>(65,157)</b>
Investing activities		
Exploration and evaluation asset expenditures	(158,646)	(138,660)
<b>Net cash used in investing activities</b>	<b>(158,646)</b>	<b>(138,660)</b>
Financing activities		
Advance (to)/from related parties	-	81,911
Advances from convertible debentures	75,000	110,000
Proceeds from private placement	659,465	-
Repayments of convertible debentures	(115,000)	-
Repayments of loans payable	-	(1,500)
Share issuance costs	(36,180)	-
<b>Net cash provided by financing activities</b>	<b>583,285</b>	<b>190,411</b>
Effects of foreign exchange rate changes on cash	1,151	-
Change in cash	292,718	(13,406)
Cash, beginning of period	4,368	15,347
Cash, end of period	297,086	1,941
Non-cash investing and financing activities:		
Common shares issued for the settlement of accounts payable and accrued liabilities	215,190	-
Common shares issued for the settlement of loan payable	2,800	-
Common shares issued for the settlement of due to related parties	100,000	-
Discount on convertible debentures	10,417	-
Fair value of warrants granted as share issuance costs	39,919	-

(The accompanying notes are an integral part of these condensed consolidated financial statements)

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**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(unaudited)**

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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**1. Nature of Operations**

International Millennium Mining Corp. (the "Company" or "IMMC") is incorporated under the Business Corporations Act of British Columbia. The Company is listed on the TSX-Venture Exchange and its primary business is the acquisition, exploration, and evaluation of mineral properties in Canada (British Columbia and Ontario) and Nevada, USA. The address of the Company's registered office and its principal place of business is 20 Sixth Street, New Westminster, British Columbia, Canada, V3L 2Y8.

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company has an accumulated deficit of \$16,312,396. During the nine month period ended September 30, 2020, the Company has generated no revenues, incurred a net loss of \$145,193, and used \$133,072 of cash for operating activities. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt upon the Company's ability to continue as a going concern. These condensed consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

**2. Statement of Compliance**

These condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*", and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These condensed consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2019, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

These condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.



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**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**3. Significant Accounting Policies**

(a) Principles of consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, International Millennium Mining Inc. ("IMMI"), a Nevada corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an investee, so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group until the date on which control ceases. All inter-company transactions and accounts have been eliminated on consolidation.

(b) Significant accounting estimates and judgments

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- The analysis of the going concern assumption, which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- The determination of whether it is likely that future economic benefits from exploration and evaluation expenditures are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Estimates

- Recoverability of exploration and evaluation assets;
- Useful lives and recoverability of property and equipment;
- Fair value of convertible debentures;
- Fair value of share-based payments;
- Rehabilitation provisions; and
- Unrecognized deferred income tax assets.

**4. Accounting Standards Issued But Not Yet Effective**

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2020 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's condensed consolidated financial statements.

**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

**5. Exploration and Evaluation Assets**

(a) Nevada Properties

(i) Silver Peak (Nivloc) Property, Esmeralda County

In September 2007, the Company established its interest in the Silver Peak (Nivloc) Property by acquiring 9 unpatented claims for US\$75,000 and 110,000 shares.

In February 2011, and amended May 22, 2012, the Company executed an Option and Joint Venture Agreement, with Silver Reserve Corp. ("SRC"), pursuant to which the Company acquired the right to purchase up to 85% interest in 18 unpatented lode claims (the "NL Extension Claims") contiguous with and surrounding the Company's existing Nivloc Mine property, Esmeralda County.

The Company acquired the interest in the NL Extension Claims by making cash payments of US\$350,000 and by issuing 1,925,000 shares over a period of five years as follows:

	<b>Cash (US\$)</b>	<b>Common shares</b>
Upon execution of Letter of Intent (paid)	5,000	-
Upon execution of Agreement (paid 2011)	5,000	-
Upon receipt of TSX Venture approval (paid and issued)	15,000	275,000
On or before September 15, 2011 (paid and issued)	35,000	300,000
On or before September 15, 2012 (paid and issued)	50,000	300,000
On or before September 15, 2013 (paid and issued)	70,000	350,000
On or before September 15, 2014 (paid and issued)	70,000	350,000
On or before September 15, 2015 (paid and issued)	100,000	350,000
	<b>350,000</b>	<b>1,925,000</b>

During fiscal 2011, an additional 95 contiguous claims (the "Additional Claims") were staked and recorded.

Following the Company's completion of a positive feasibility study, the Silver Peak (Nivloc) Property is to be developed on a joint venture basis where SRC has the right to contribute to the development of the 122 claim Silver Peak (Nivloc) Property and retain a 15% interest therein, provided that it contributes 15% of further exploration, development and mining expenditures. Failure by SRC to contribute 15% of the expenditures for further exploration, development and mining, will result in dilution of its interest. If SRC's interest is diluted to 10% or less, its interest in the Silver Peak (Nivloc) Property will revert to a 2% NSR Royalty.

On October 14, 2015, the Company made the final payment of US\$100,000 to SRC, thereby acquiring 85% undivided interest in the Silver Peak (Nivloc) Property. The Company registered this 85% undivided interest in the Silver Peak (Nivloc) Property with the US Bureau of Land Management (the "US BLM") and Esmeralda County, Nevada.

On January 7, 2016, the Company executed a Sale and Purchase Agreement, including an Option to Purchase Royalty Interest (the "Agreement"), to acquire SRC's remaining interests in the Silver Peak (Nivloc) Property (the "Transaction"). These interests include the following:

- (i) All rights, titles and interests owned by SRC in and to the remaining undivided 15% interest in and to the NL Extension Claims, and any and all licenses and permits pertaining thereto; and
- (ii) The sole and exclusive right and option to acquire a 15% interest in the 104 claims held by the Company (the "IMMC Claims").

**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

**5. Exploration and Evaluation Assets (continued)**

(a) Nevada Properties (continued)

Pursuant to the Agreement, the Company will pay SRC US\$110,000 (the “Cash Consideration”) for the Silver Peak (Nivloc) Property interests detailed above (the “Silver Peak (Nivloc) Property Interests”), and SRC will retain a royalty interest of 2% of Net Smelter Returns from the NL Claims and the IMMC Claims (the “Royalty Interest”). SRC will transfer 100% of its interest, right and title in the Silver Peak (Nivloc) Property Interests to the Company, upon final closing of the transaction on or before February 22, 2016 (the “Closing”). In the event that the Closing did not occur on February 22, 2016, at the discretion of SRC, the date of the Closing may be extended to March 22, 2016, upon the payment of an additional US\$10,000 as a component of the Cash Consideration, for total consideration of US\$120,000. On April 5, 2016, the Company made the final payment towards the Cash Consideration amount of US\$120,000, thereby acquiring and registering 100% interest in the 122 claims comprising the Silver Peak (Nivloc) Property, subject to the 2% Royalty Interest.

On December 22, 2016, the Company paid SRC US\$120,000 to acquire the 2% Royalty Interest, funded by Capital Mineral Resource Investments Limited (“CMRI”). As a condition of the funding the Company received from CMRI to purchase the Royalty Interest, 1% NSR of the Silver Peak (Nivloc) Property was transferred to CMRI. CMRI granted to the Company an exclusive option to purchase 100% of CMRI’s right, title and interest in the 1% Royalty Interest (the “Royalty Option”) for \$2,000,000 for a period of ten years from December 24, 2016 (or any portion or portions thereof on a pro rata purchase price) at any time and from time to time on or before December 24, 2026.

In April 2017, the Company staked forty-two lode claims, contiguous to the Silver Peak (Nivloc) Property, and acquired 8 unpatented lode claims contiguous thereto, all located in Esmeralda County, Nevada. The total cost was US\$62,700 and the issuance of 100,000 common shares of the Company.

In October 2017 (and amended on March 16, 2018), the Company executed Option Agreements with Silver Saddle Resources LLC (“Silver Saddle”) and Consent to Assignment Agreements between the Company, Silver Saddle and two underlying property owners (the “Silver Saddle Agreements”), to acquire 25 unpatented lode mineral claims located contiguous with the Company’s Silver Peak (Nivloc) Property (the “Silver Saddle Claims”) in Esmeralda County, Nevada.

Pursuant to the Silver Saddle Agreements, the Company shall acquire a 100% interest in the Silver Saddle Claims, subject to various net smelter return (“NSR”) royalties by making cash payments of US\$115,000 and by issuing 1,000,000 shares as follows:

	<b>Cash (US\$)</b>	<b>Common shares</b>
Upon execution of Letter of Intent (paid)	10,000	-
Upon receipt of TSX Venture approval (issued)	-	1,000,000
On or before December 31, 2017 (paid)	20,000	-
On or before March 29, 2018 (paid)	5,000	-
On or before June 30, 2018 (paid)	10,000	-
On or before March 29, 2019 (paid)	10,000	-
On or before April 30, 2019 (paid)	10,000	-
On or before March 29, 2020 (paid)	25,000	-
On or before May 15, 2020 (paid)	25,000	-
	<b>115,000</b>	<b>1,000,000</b>

The NSR royalties vary from 1.5% on eight of the claims, of which 1.25% NSR can be purchased for US\$190,000; 2.5% on seven of the claims, of which 1.25% NSR can be purchased for US\$110,000; and, 1.5% on ten of the claims, of which 0.5% NSR can be purchased for US\$500,000. In November 2017, the Company staked an additional 14 claims contiguous to the Company’s Silver Peak claims for US\$11,484.

The Company’s total land holdings in the Silver Peak project area include 211 claims covering in excess of 4,000 acres (1,600 hectares).

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**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**5. Exploration and Evaluation Assets** (continued)

(a) Nevada Properties (continued)

(i) Silver Peak (Nivloc) Property, Esmeralda County (continued)

(ii) Simon Property

Pursuant to an Option Agreement executed in December 2004, and a Settlement Agreement, with the Estate of Nadean Bedford, announced in November 2010, the Company acquired, and holds in good standing, a 100% interest in the Simon Property, consisting of 20 patented and 3 unpatented contiguous claims. The Company also acquired by staking, and holds, a further 34 contiguous unpatented mining claims, which are in good standing. The monthly payments are US\$2,000. There are no underlying royalties. During the nine months ended September 30, 2020, the Company wrote off the carrying amount of the exploration and evaluation assets of \$nil (2019 - \$32,442) due to inactivity and no formal plans to work on the property. However, for strategic reasons, the Company intends to maintain the payment obligations noted above.

**6. Convertible Debentures**

- (a) On June 7, 2019, and August 30, 2019, the Company issued convertible debentures to a non-related party for proceeds of \$50,000 and \$60,000, respectively. Under the terms of the debentures, the amounts owing are unsecured, bear compound interest at 12% per annum, and are due on December 7, 2021, and March 2, 2022, respectively. The interest is payable semi-annually on the last day of June and December each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at the conversion rate applicable to the debenture.

The debentures are convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debentures.

The convertible debentures were recorded using the residual method, where the convertible debentures have been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The fair value of the liability component, at the time of issuance of the debentures, was determined to be \$104,413 using a net present value calculation assuming a discount rate of 15% per annum. As a result, the value of the equity component of \$5,587 was recorded as equity and an equivalent discount on the convertible debentures which will be accreted to the face value of \$110,000 over the term of the debentures.

During the nine months ended September 30, 2020, the Company paid \$125,100 (2019 - \$nil) for the settlement of \$110,000 (2019 - \$nil) of outstanding principal balance of convertible debentures and \$15,164 (2019 - \$nil) of accrued interest, resulting in a gain on settlement of debt of \$64 (2019 - \$nil).

- (b) On June 12, 2020, the Company issued a convertible debenture to a company controlled by the Chief Executive Officer of the Company for proceeds of \$5,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum, and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

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**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(unaudited)**

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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**6. Convertible Debentures** (continued)

- (b) The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The fair value of the liability component, at the time of issuance of the debenture, was determined to be \$4,306 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$694 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$5,000 over the term of the debenture.

During the nine months ended September 30, 2020, the Company paid \$5,304 (2019 - \$nil) for the settlement of \$5,000 (2019 - \$nil) of outstanding principal balance of convertible debentures and \$119 (2019 - \$nil) of accrued interest, resulting in a loss on settlement of debt of \$185 (2019 - \$nil).

- (c) On June 12, 2020, the Company issued a convertible debenture to a non-related party for proceeds of \$20,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum, and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The fair value of the liability component, at the time of issuance of the debenture, was determined to be \$17,222 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$2,778 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$20,000 over the term of the debenture.

During the nine months ended September 30, 2020, the Company recognized interest expense of \$718 (2019 - \$nil) and accretion expense of \$427 (2019 - \$nil), which increased the carrying value to \$17,649 (December 31, 2019 - \$nil).

- (d) On June 12, 2020, the Company issued a convertible debenture to a director of the Company for proceeds of \$50,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**6. Convertible Debentures** (continued)

- (d) The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debenture, was determined to be \$43,056 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$6,944 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$50,000 over the term of the debenture.

During the nine months ended September 30, 2020, the Company recognized interest expense of \$1,796 (2019 - \$nil) and accretion expense of \$1,066 (2019 - \$nil), which increased the carrying value to \$44,122 (December 31, 2019 - \$nil).

**7. Share Capital**

- (i) Authorized

Unlimited common shares without par value.

On April 23, 2020, the Company issued 15,899,500 common shares at \$0.02 per share to settle outstanding accounts payable and related party payables of \$317,990, including the issuance of 4,750,000 common shares to settle \$95,000 of debt owed to officers and directors of the Company, 5,000,000 common shares to settle \$100,000 of debt owed to a company with common officers, 1,000,000 common shares to settle \$20,000 of debt owed to a company controlled by the Chief Executive Officer, and 1,000,000 common shares to settle \$20,000 of debt owed to a company controlled by the former Chief Financial Officer.

On September 11, 2020, the Company completed a non-brokered private placement for the issuance of 32,973,250 unit at \$0.02 per unit for proceeds of \$659,465. Each unit is comprised of one common share and one share purchase warrant where each share purchase warrant entitles the holder to purchase one additional common share of the Company at \$0.05 per share for a period of thirty-six months from the closing date of the private placement. As part of the private placement, the Company paid finder's fees of \$36,180 and issued 2,412,000 broker warrants, where each broker warrant is exercisable into one common share of the Company at \$0.05 per share for a period of thirty-six months from the closing date of the private placement. The fair value of the broker warrants is \$39,919, which has been estimated using the Black-Scholes option-pricing model assuming no expected dividends, no forfeitures, risk-free interest rate of 0.26%, expected life of 3 years, and expected volatility of 183%.

- (ii) Stock options

The Company has a stock option plan for its directors, employees, and consultants to acquire common shares at a price to be determined by the fair market value of the shares at the date of the grant. The Company may issue up to 10% of the outstanding common shares under the plan. Options granted under the Plan will have a maximum term of five years. Options granted to persons providing investor relations activities will become vested with the right to exercise at one-quarter of the options upon conclusion of every three months subsequent to the date of the grant of the options.

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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

**7. Share Capital (continued)**

(ii) Stock options (continued)

	Number of options	Weighted average exercise price \$
Outstanding and exercisable at December 31, 2019	9,750,000	0.05
Expired	(2,450,000)	0.05
<b>Outstanding and exercisable at September 30, 2020<sup>1</sup></b>	<b>7,300,000</b>	<b>0.05</b>

<sup>1</sup> Expiry: July 7, 2022

Additional information regarding stock options as at September 30, 2020 is as follows:

Range of exercise prices \$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	7,300,000	1.77	0.05

(iii) Share Purchase Warrants

A summary of the changes in share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2019	37,077,400	0.05
Issued	35,385,250	0.05
<b>Balance, September 30, 2020</b>	<b>72,462,650</b>	<b>0.05</b>

As at September 30, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
37,077,400	0.05	June 29, 2021
35,385,250	0.05	September 11, 2023
<b>72,462,650</b>		

**8. Related Party Transactions**

- (a) The Company shares office services with Cabo Drilling Corp. ("Cabo"), a company with a common director and officers, at a monthly cost of \$3,000 per month (2019 - \$8,000). This includes rent, utilities, general office costs and administration fees. As at September 30, 2020, the Company prepaid \$27,533 (December 31, 2019 – owed \$83,939) to Cabo for rent and administrative fees. During the nine months ended September 30, 2020, the Company incurred administration fees of \$27,000 (2019 – \$72,000) to Cabo.
- (b) As at September 30, 2020, the Company owes \$20,250 (December 31, 2019 - \$95,016) to directors and former directors of the Company, which is included in due to related parties. The amounts owing are unsecured, non-interest bearing, and due on demand. During the nine months ended September 30, 2020, the Company incurred directors' fees of \$20,250 (2019 - \$9,250) to directors of the Company.
- (c) As at September 30, 2020, the Company owes \$6,775 (December 31, 2019 - \$21,000) to a company controlled by the Chief Executive Officer of the Company, which is included in due to related parties. The amount owing is unsecured, non-interest bearing, and due on demand. During the nine months ended September 30, 2020, the Company incurred consulting fees of \$5,500 (2019 – \$nil) to a company controlled by the Chief Executive Officer of the Company.

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**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

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**8. Related Party Transactions** (continued)

- (d) As at September 30, 2020, the Company owes \$nil (December 31, 2019 - \$20,000) to a company controlled by the former Chief Financial Officer ("CFO") of the Company, which is included in due to related parties.

**9. Financial Instruments and Risk Management**

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

(a) Fair values

The fair values of other financial instruments, which include cash, amounts receivable, accounts payable and accrued liabilities, loan payable, convertible debentures, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists primarily of GST receivable from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Interest rate risk

The Company is not exposed to interest rate risk because its loans payable bear interest at a fixed interest rate. Fluctuations in market rates do not have a significant impact on the Company's operations.

(d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. As at September 30, 2020, the Company had a working capital of \$256,498 (December 31, 2019 – working capital deficit of \$349,183). The Company manages this risk by evaluating current and expected liquidity requirements and seeking financing arrangements as necessary.

(e) Currency risk

The functional currency of the Company is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiary is the United States ("US") dollar. Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company operates in Canada and the US and a portion of the Company's expenditures are incurred in US dollars. A significant change in currency exchange rates between the Canadian and US currencies could have an effect on the Company's results of operations, financial position or cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at September 30, 2020, the Company has cash on deposit totaling US\$11,028 (December 31, 2019 - US\$2,847). Cash in United States dollars have been translated to Canadian dollars at a rate of Cdn\$1.3339 (December 31, 2019 – Cdn\$1.2988 per US dollar). The Company has limited US dollar financial assets and liabilities and any fluctuations in the US dollar would have an insignificant impact on the Company's condensed consolidated financial statements.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.



**International Millennium Mining Corp.**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
(unaudited)

**PERIOD ENDED SEPTEMBER 30, 2020 AND 2019**

**10. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties, if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2019.

**11. Segmented Information**

The Company operates in one business segment, being the acquisition and exploration and evaluation of mineral assets. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the periods ended September 30, 2020 and December 31, 2019.

The Company's net assets are segmented geographically as follows:

September 30, 2020			
	Canada \$	United States \$	Total \$
Exploration and evaluation assets	-	6,405,278	6,405,278
	-	6,405,278	6,405,278
December 31, 2019			
	Canada \$	United States \$	Total \$
Exploration and evaluation assets	-	6,084,535	6,084,535
	-	6,084,535	6,084,535

**12. Subsequent Event**

- a) On October 8, 2020, the Company granted 3,200,000 stock options to Directors, Officers and Employees of the Company. These options vest immediately with an exercise price of \$0.05 and expire on July 7, 2025.

**International Millennium Mining Corp.**  
**CONSOLIDATED SCHEDULES OF EXPLORATION AND EVALUATION ASSETS**  
(Expressed in Canadian Dollars)

**September 30, 2020**

	<b>Simon Property \$</b>	<b>Nivloc Property \$</b>	<b>TOTAL \$</b>
<b>Acquisition costs</b>			
Balance, December 31, 2019	-	1,411,909	1,411,909
Option payments, cash	24,371	67,696	92,067
Foreign exchange translation	(361)	37,155	36,794
Balance, September 30, 2020	24,010	1,516,760	1,540,770
<b>Deferred exploration expenditures</b>			
Balance, December 31, 2019	132	4,672,494	4,672,626
Filing fees	810	65,769	66,579
Foreign exchange translation	-	125,303	125,303
Balance, September 30, 2020	942	4,863,566	4,864,508
	24,952	6,380,326	6,405,278

**December 31, 2019**

	<b>Simon Property \$</b>	<b>Nivloc Property \$</b>	<b>TOTAL \$</b>
<b>Acquisition costs</b>			
Balance, December 31, 2018	-	1,480,959	1,480,959
Option payments, cash	31,846	25,976	57,822
Foreign exchange translation	-	(95,026)	(95,026)
Balance, December 31, 2019	31,846	1,411,909	1,443,755
<b>Deferred exploration expenditures</b>			
Balance, December 31, 2018	-	4,849,287	4,849,287
Filing fees	8,944	48,639	57,583
Foreign exchange translation	-	(205,973)	(205,973)
Project management and geologists	-	24,365	24,365
Supplies and miscellaneous	-	7,793	7,793
Change in estimate of rehabilitation obligations	-	(51,617)	(51,617)
Balance, December 31, 2019	8,944	4,672,494	4,681,438
Impairment	(40,658)	-	(40,658)
	132	6,084,403	6,084,535