

**GRANDE PORTAGE RESOURCES LTD.**  
**(An Exploration Stage Company)**  
**Condensed Consolidated Interim Financial Statements**  
**January 31, 2020 and 2019**  
**(Expressed in Canadian Dollars)**

<u>Index</u>	<u>Page</u>
Management's Responsibility for Financial Reporting	2
Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statements of Comprehensive Loss	4
Condensed Consolidated Interim Statements of Changes in Equity	5
Condensed Consolidated Interim Statements of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7 – 15

**MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The financial statements for the three-month period ended January 31, 2020 and 2019 are unaudited and prepared by Management.

The Company’s independent auditor has not performed a review of these condensed consolidated interim 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.

*“Ian Klassen” (signed)*

.....

Ian Klassen  
President, CEO and Director

Vancouver, British Columbia  
April 3, 2020

*“Michele Pillon” (signed)*

.....

Michele Pillon  
Chief Financial Officer

**GRANDE PORTAGE RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

<b>As at</b>	<b>Note</b>	<b>January 31, 2020</b>	<b>October 31, 2019</b>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		416,977	304,379
Share subscription funds received (Undeposited)		721,334	-
Amounts receivable		18,702	7,200
Prepaid expenses and deposits		162,621	37,361
Marketable securities		1,320	2,171
		1,320,954	351,111
<b>RECLAMATION BONDS</b>	3	54,759	54,759
<b>EXPLORATION AND EVALUATION ASSETS</b>	4	7,829,148	7,752,235
		9,204,861	8,158,105
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	6	373,143	230,601
<b>SHAREHOLDERS' EQUITY</b>			
<b>SHARE CAPITAL</b>	5	24,986,196	23,993,075
<b>RESERVES</b>		2,695,229	2,633,829
<b>DEFICIT</b>		(18,849,707)	(18,699,400)
		8,831,718	7,927,504
		9,204,861	8,158,105
Nature of Operations and Going Concern (Note 1)			
Commitments and Contingencies (Note 9)			
Subsequent Events (Note 10)			
<b>APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:</b>			
<u>"Ian Klassen"</u>	Director	<u>"Alistair MacLennan"</u>	Director
Ian Klassen		Alistair MacLennan	

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

**GRANDE PORTAGE RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

	Note	2020	2019
		\$	\$
<b>Expenses</b>			
Investor and shareholder relations		11,808	103,414
Share-based compensation		61,400	47,400
Management fees	6	42,150	42,150
Consulting fees		700	38,750
Legal and accounting		7,500	12,683
Rent		4,500	4,500
Regulatory and transfer agent fees		15,583	3,475
Office and miscellaneous		3,094	3,534
Travel and promotion		3,142	550
<b>Loss before other items</b>		<b>(149,877)</b>	<b>(256,456)</b>
<b>Other items</b>			
Foreign exchange loss		421	-
Unrealized gain (loss) on marketable securities		(851)	(1,339)
		(430)	(1,339)
<b>Net loss and comprehensive loss</b>		<b>(150,307)</b>	<b>(257,795)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>53,706,509</b>	<b>45,413,365</b>

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

**GRANDE PORTAGE RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

	Issued Capital		Contributed Surplus	Deficit	Total
	Shares	Amount \$			
<b>Balance, October 31, 2018</b>	<b>45,193,365</b>	<b>23,031,952</b>	<b>2,457,054</b>	<b>(17,818,055)</b>	<b>7,670,951</b>
Shares issued for warrant exercise	232,500	63,938			63,938
Share-based compensation			47,400		47,400
Comprehensive loss				(257,795)	(257,795)
<b>Balance, January 31, 2019</b>	<b>45,425,865</b>	<b>23,095,890</b>	<b>2,504,454</b>	<b>(18,075,850)</b>	<b>7,524,494</b>
<b>Balance, October 31, 2019</b>	<b>53,607,685</b>	<b>23,993,075</b>	<b>2,633,829</b>	<b>(18,699,400)</b>	<b>7,927,504</b>
Shares issued for private placement	9,092,000	1,000,120	-	-	1,000,120
Share issue costs	-	(6,999)	-	-	(6,999)
Share-based compensation	-	-	61,400	-	61,400
Comprehensive loss	-	-	-	(150,307)	(150,307)
<b>Balance, January 31, 2020</b>	<b>62,699,685</b>	<b>24,986,196</b>	<b>2,695,229</b>	<b>(18,849,707)</b>	<b>8,831,718</b>

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

**GRANDE PORTAGE RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

	<b>2020</b>	2019
	\$	\$
<b>Operating activities</b>		
Net loss and comprehensive loss	(150,307)	(257,795)
Items not involving cash:		
Share-based compensation	61,400	47,400
Unrealized loss (gain) on marketable securities	851	1,339
	(88,056)	(209,056)
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	142,542	50,163
Amounts receivable	(11,502)	(3,948)
Undeposited subscription funds	721,334	-
Prepaid expenses and deposits	(125,260)	110,356
	639,058	(52,485)
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(76,913)	(75,022)
<b>Financing activities</b>		
Proceeds from issuance of common shares	278,786	63,938
Share subscription funds to be deposited	(721,334)	-
Share issuance costs	(6,999)	-
	(449,547)	63,938
<b>Change in cash</b>	112,598	(63,569)
<b>Cash, beginning of year</b>	304,379	135,613
<b>Cash, end of year</b>	416,977	72,044
<b>Supplemental cash flow information</b>		
Interest paid	-	-
Income taxes paid	-	-

Non-cash transactions (Notes 8 and 9)

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

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Grande Portage Resources Ltd. (the “Company”) was incorporated under the Business Corporations Act of British Columbia. The Company is an exploration-stage public company, whose principal business activities are the exploration for and development of natural resource properties, namely gold in Alaska. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol GPG.

The address of the Company’s corporate office and principal place of business is #280 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company incurred a net loss and comprehensive loss of \$150,307 (2019 - \$257,795) for the three months ended January 31, 2020 and has an accumulated deficit of \$18,849,707 (October 31, 2019 - \$18,699,400) which has been funded primarily by the issuance of equity. The Company’s ability to continue as a going concern is dependent upon the generation of profits from exploration and evaluation assets, obtaining additional financing or maintaining continued support from its shareholders and creditors. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company’s assets may be adversely affected.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, twelve months from the year end date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the consolidated financial statements are prepared on a going concern basis. Accordingly, these condensed consolidated interim financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the condensed consolidated interim statements of loss and condensed consolidated statements of financial position classifications that would be necessary were the going concern assumption not appropriate.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

**2. BASIS OF PREPARATION**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended October 31, 2019. In preparation of these condensed consolidated interim financial statements, the Company has consistently applied the same accounting policies as disclosed in note 2 to the audited consolidated annual financial statements for the year ended October 31, 2019.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on April 1, 2020.

**3. RECLAMATION BONDS**

The Company placed Guaranteed Interest Certificates (“GICs”) in trust as reclamation deposits pursuant to a condition of receiving consent from a government agency to explore its resource property interests. As at January 31, 2020, the Company held GICs totaling \$54,759 (US \$42,472) (2019 – \$54,759).

**4. EXPLORATION AND EVALUATION ASSETS**

	<b>Herbert Gold</b>
<b>Balance, October 31, 2019</b>	<b>\$7,752,235</b>
Acquisition costs:	
Shares issued	-
Cash payments and other	41,635
	<u>41,635</u>
Deferred exploration costs:	
Assaying	14,889
Field expenses	1,661
Food and lodging	3,420
Geological consulting	7,967
Legal fees	6,367
Travel costs	974
Total additions	<u>76,913</u>
<b>Balance, January 31, 2020</b>	<b>\$7,829,148</b>



**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

Herbert Gold Project

Pursuant to an agreement dated June 16, 2010, as amended on June 12, 2012, (the “Option Agreement”) with Quaterra Alaska, Inc. (“Quaterra”), the Company was granted and has exercised an option to acquire a 65% interest in a mining lease dated November 1, 2007 (the “Mining Lease”) for the Herbert Gold Project, consisting of 84 unpatented mining claims (now 91 unpatented mining claims pursuant to the area of interest provisions of the Mining Lease), located 20 miles north of Juneau, Alaska. The Company was required to incur at least USD\$1,250,000 (incurred) under the Option Agreement in exploration expenditures on the property to acquire its 65% interest.

On October 24, 2011, the Company entered into a joint operation with Quaterra (the “JVA”) with their initial joint interests being Quaterra 35% and the Company 65%. Under the JVA, the Company’s subsidiary was appointed as operator of the project. Pursuant to the JVA, Quaterra and the Company’s subsidiary were deemed to have contributed a value of \$673,077 and \$1,250,000, respectively, as Initial Contributions. These initial values were deemed contributed in full by both parties as at October 31, 2012. Each party was also required to contribute its proportionate share of costs for all future exploration and development work. During the year ended October 31, 2015, Quaterra gave the Company a notification of its election not to participate in future programs on the property. This notice did not cancel the JVA between the Company and Quaterra, according to which Quaterra continued to be responsible for 35% of the claim maintenance fees.

During the year ended October 31, 2016, the Company entered into a purchase agreement with Quaterra to acquire Quaterra’s remaining 35% interest in the Mining Lease in exchange for the issuance of 1,182,331 common shares (issued) on a non-diluted basis, equal to 9.0% of the Company’s outstanding common shares and, a cash payment of \$250,000 USD (due within 90 days of the earlier of: (i) the delivery of a favorable feasibility report on the Herbert Gold Project; or (ii) change of control of the Company; or (iii) sale of the Herbert Gold Project). The Company issued the 1,182,331 common shares during the year ended October 31, 2016, but these were held by the Company until such time that the assignment of the remaining 35% interest to the Company was completed during the year ended October 31, 2017. Quaterra was also granted a limited right to participate in any future equity financings of the Company up to the next \$1.0 million raised, in order to maintain its equity interest in the Company at its then current equity interest in the Company on a non-diluted basis. The opportunity to participate has now expired.

An additional 760,464 common shares of the Company were issued to Quaterra during the year ended October 31, 2018 with respect to the private placement completed in June 2017, pursuant to Quaterra’s anti-dilution rights described above (which are now fulfilled).

The Herbert Glacier Project is subject to a 5% net smelter returns royalty reserved to the underlying lessor, plus minimum annual advance royalties of \$30,000 USD due November 1. All advance royalties will be credited towards any net smelter returns royalty paid upon the commencement of commercial production.

Realization of assets

The investment in and expenditures on exploration and exploration assets comprise a significant portion of the Company’s assets. Realization of the Company’s investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its property interests and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former property interests that may result in material liability to the Company.

**5. SHARE CAPITAL**

- a) Authorized - Unlimited number of common shares without par value.
- b) Issued: As at January 31, 2020, there were 62,699,685 common shares issued and outstanding (2019: 45,425,865).
  - (i) During the three months ended January 31, 2020, the Company closed a non-brokered private placement and issued 9,092,000 units at a price of \$0.11 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable at a price of \$0.15 for a period of 18 months for gross proceeds of \$1,000,120. The Company paid a cash commission of \$6,999 and issued 63,630 purchase warrants exercisable at a price of \$0.15 for a period eighteen months.
  - (ii) During the year ended October 31, 2019, the Company closed a non-brokered private placement and issued 8,181,818 units at a price of \$0.11 per unit. Each unit consisted of one common share and one purchase warrant exercisable at a price of \$0.16 for a period of two years for gross proceeds of \$898,460. The Company paid a cash commission of \$1,540 and issued 14,000 purchase warrants exercisable at a price of \$0.16 for a two-period at a fair value of \$1,275. The Company also issued 232,500 common shares for the exercise of warrants at a price of \$0.275 for gross proceeds of \$63,938.
  - (iii) During the year ended October 31, 2018, the Company closed a short-form prospectus offering consisting of 11,600,000 units at a price of \$0.20 per unit for gross proceeds of \$2,320,000. Each unit consisted of one common share and one-half share purchase warrant exercisable at a price of \$0.275. The Company paid a commission of \$162,400 plus a \$50,000 work fee and issued 1,160,000 purchase warrants exercisable at a price of \$0.20 until September 20, 2019 (fair value of \$97,512) and 750,000 stock options exercisable at a price of \$0.20 until September 20, 2019 (fair value of \$63,045). The Company paid an additional \$113,955 in legal and agent work fees in relation to this offering.
  - (iv) During the year ended October 31, 2018, a total of 2,703,500 warrants were exercised at a price of \$0.075 and \$0.25 for gross proceeds of \$411,538 and 750,000 stock options were exercised at a price of \$0.15 and \$0.22 for gross proceeds of \$130,000. In connection with the exercise of warrants and stock options, the Company re-allocated \$138,148 of previously recorded contributed surplus to share capital.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

**5. SHARE CAPITAL (continued)**

c) Stock options

Effective October 31, 2012, the Company adopted a revised rolling stock option plan under whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. The stock option plan provides for the granting of stock options to directors, officers, employees, consultants, consulting company or management company employees, and eligible charitable organizations. Shares issuable under the plan to insiders as a group, or to any one optionee, consultant, and investor relation person are restricted up to a limit of 10%, 5%, 2% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. An option shall be granted as fully vested, unless a vesting schedule is imposed by the board as a condition of the grant date and provided that if the option is being granted to an eligible person who is providing investor relating activities to the Company, then the option must vest in stages over at least a one-year period and not more than ¼ of such options may be vested in any three-month period.

Details of the status of the Company's stock options as at January 31, 2020 are as follows:

	Number of Options	Weighted-Average Exercise Price (\$)
Balance, October 31, 2018	3,925,000	\$ 0.19
Cancelled	(150,000)	0.17
Expired	(750,000)	0.20
Granted	500,000	0.13
Granted	900,000	0.15
Balance, October 31, 2019	4,425,000	\$0.18
Granted	500,000	0.15
<b>Balance, January 31, 2020</b>	<b>4,925,000</b>	<b>\$ 0.17</b>

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for stock options granted to employees. Stock options granted to non-employee are valued using the Black-Scholes Option Pricing Model as the fair values of services received were not reliably measurable.

The fair value of the options granted was calculated using the following weighted average assumptions:

	2020	2019
Expected life (years)	5.00	5.00
Risk-free interest rate	1.46%	1.45%
Expected annualized volatility	173%	173%
Dividend yield	N/A	N/A
Stock price at grant date	\$0.16	\$0.15
Exercise price	\$0.15	\$0.15
Weighted average grant date fair value	\$0.15	\$0.14

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

**5. SHARE CAPITAL (continued)**

As at January 31, 2020, the following stock options were outstanding and exercisable:

<b>Outstanding Number of Options</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
325,000	July 13, 2021	0.15
750,000	July 19, 2022	0.20
1,000,000	February 23, 2023	0.15
950,000	September 24, 2023	0.22
500,000	December 13, 2023	0.13
900,000	July 29, 2024	0.15
500,000	January 16, 2025	0.15
<b>4,925,000</b>		

The weighted average remaining contractual life of stock options outstanding at January 31, 2020 is 3.42 years (2019 – 3.26 years).

d) Warrants

The following table summarizes the continuity of the Company's warrants:

	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>
<b>Balance, October 31, 2018</b>	8,014,667	\$0.26
Exercised	(232,500)	0.275
Expired	(7,782,167)	0.26
Granted	8,195,818	0.16
<b>Balance, October 31, 2019</b>	<b>8,195,818</b>	<b>\$0.16</b>
Granted	4,658,630	0.15
<b>Balance, January 31, 2020</b>	<b>12,854,448</b>	<b>\$0.16</b>

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for agent warrants.

The fair value of the finder warrants granted was calculated using the following weighted average assumptions:

	<b>2019</b>	<b>2018</b>
Expected life (years)	2.00	1.00
Risk-free interest rate	1.54%	2.06%
Expected annualized volatility	123%	120%
Dividend yield	N/A	N/A
Stock price at grant date	\$0.15	\$0.19
Exercise price	\$0.16	\$0.20
Weighted average grant date fair value	\$0.09	\$0.08

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**5. SHARE CAPITAL (continued)**

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

As at January 31, 2020, the following warrants were outstanding and exercisable:

<b>Outstanding Number of Warrants</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
8,195,818	July 26, 2021	\$0.16
4,658,630	July 31, 2021	\$0.15

The weighted average remaining contractual life of warrants outstanding at January 31, 2020 is 1.50 years (2019 – 0.69 years).

**6. RELATED PARTY TRANSACTIONS AND KEY PERSONNEL COMPENSATION**

Included in accounts payable at January 31, 2020 is \$138,862 (2019 - \$204,629) owing for services to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing, and are due on demand.

During the three months ended January 31, 2020, the Company incurred the following related party transactions:

- a) \$24,900 (2019 - \$24,900) in management fees to a company controlled by the President and CEO of the Company;
- b) \$17,250 (2018 - \$17,250) in management fees to a company controlled by a Director of the Company;
- c) \$7,500 (2018 - \$7,500) in accounting fees to a company controlled by the CFO of the Company.

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the three months ended January 31, 2020 and 2019. Short-term key management compensation consists of the following for the three months ended January 31, 2020 and 2019:

	<b>2020</b>	<b>2018</b>
Management fees	\$ 42,150	\$ 42,150
Accounting fees	7,500	7,500
	<b>\$ 49,650</b>	<b>\$ 49,650</b>

The Company entered into management fee agreements for a term of two years with a Director, the President, and the CFO of the Company (“Contractors”) in the amounts of annual compensation of \$69,000 per annum and \$99,600, and \$30,000 per annum, respectively. The Company is committed to make monthly payments of \$16,550.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**7. CAPITAL MANAGEMENT**

The Company defines capital as all components of shareholders' equity. 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 exploration and evaluation assets. 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 Company is not subject to any externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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. There have been no changes to the Company's approach to capital management during the three months ended January 31, 2020.

**8. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of resource properties. The Company operates in both Canada and the U.S.A. The Company's exploration and evaluation assets in geographic locations are as follows:

	<b>2020</b>	<b>2019</b>
U.S.A.	\$ 7,829,148	\$ 7,563,160

**9. COMMITMENTS AND CONTINGENCIES**

a) Commitments

The Company entered into management fee agreements with a Director, the President, and the CFO of the Company (see Note 10). The agreements can be terminated by the Company upon providing twelve months of notice, based on the mutual agreement or with no notice for just cause. In case of the absence of just cause of or the mutual agreement, the Company is required to pay a full twelve months of additional compensation upon termination. The Company is committed to make monthly payments of \$16,550.

b) Contingencies

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the ordinary course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. The Company believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate will not have a material adverse effect on the financial condition of the Company.

**GRANDE PORTAGE RESOURCES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2020 AND 2019**  
(Expressed in Canadian Dollars)

---

**10. SUBSEQUENT EVENTS**

On February 6, 2020, the Company closed a non-brokered private placement with the issuance of 4,297,122 Units at a price of \$0.12 per unit for gross proceeds of \$515,655 with all securities issued having a four-month hold period expiring on June 7, 2020. Each unit consists of one common share in and one half of a share purchase warrant. Each whole warrant entitles the Unit holder to purchase one additional common share at a price of \$0.16 per share for a period of 18 months after closing.

The Company paid an aggregate of \$14,920 in cash and issued 128,419 finders warrants in connection with this offering. Each finder's warrant entitles the holder to acquire one common share of the Company at \$0.16 per share for 18 months from the date of closing. The Finder's Warrants are issued on the same terms and conditions as the private placement Warrants.

On February 14, 2020, the company issued 207,000 common shares for the exercise of warrants for gross proceeds of \$33,120.

On February 20, 2020, the Company granted 50,000 incentive stock options to a consultant at an exercise price of \$0.25 for a period of three years.