

**DUNNEDIN VENTURES INC.**

**Condensed Interim Consolidated Financial Statements**

For the three months ended December 31, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

## **NOTICE OF NON-REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Dunnedin Ventures Inc. (the "Company" or "Dunnedin") have been prepared by and are the responsibility of the Company's management.

The attached condensed interim financial statements for the three months ended December 31, 2019 have not been reviewed by the Company's auditors.

**DUNNEDIN VENTURES INC.**

Condensed Interim Consolidated Statements of Financial Position  
(Unaudited-Expressed in Canadian Dollars)

	December 31, 2019	September 30, 2019
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents (Note 11)	\$ 369,600	\$ 812,909
Amounts receivable (Note 11)	55,244	29,621
Advances and deposits (Notes 8 & 11)	418,737	219,082
Due from Solstice Gold Corp.	-	33,384
	<b>843,581</b>	1,094,996
Non-Current Assets:		
Equipment	1,443	1,646
Reclamation bonds (Note 4)	168,690	169,641
Exploration and evaluation assets (Notes 5 & 6)	10,953,190	10,428,944
<b>Total Assets</b>	<b>\$ 11,966,904</b>	<b>\$ 11,695,227</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities (Notes 7,8)	\$ 571,497	\$ 605,039
Flow through share premium liability (Note 10)	107,806	82,504
	<b>679,303</b>	687,543
Deferred tax liability	657,987	567,470
<b>Total Liabilities</b>	<b>1,337,290</b>	1,255,013
Shareholders' Equity:		
Share capital (Note 9)	48,462,072	47,985,412
Reserves (Note 9)	6,549,312	6,546,547
Accumulated other comprehensive loss	(65,429)	(61,090)
Deficit	(44,316,341)	(44,030,655)
	<b>10,629,614</b>	10,440,214
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 11,966,904</b>	<b>\$ 11,695,227</b>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Commitments (Notes 6 & 10)

Subsequent Events (Note 14)

Approved on Behalf of the Board:

"Steven Krause"  
Steven Krause

"Gary Schellenberg"  
Gary Schellenberg

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

**DUNNEDIN VENTURES INC.**Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)  
(Unaudited - Expressed in Canadian Dollars)

	Three months ended December 31,	
	2019	2018
<b>Expenses</b>		
Amortization	\$ 203	\$ 436
Consulting fees	85,232	54,744
Insurance	4,002	3,705
Management fees (Note 8)	73,314	91,250
Office and administration	12,297	7,104
Professional fees	23,122	32,694
Rent	6,233	6,233
Stock based compensation	-	1,712
Transfer agent and filing	2,998	1,274
Travel, promotion and investor relations	79,825	108,995
Impairment of exploration and evaluation assets	-	488
<b>Loss before other expense</b>	<b>(287,226)</b>	<b>(308,635)</b>
<b>Other income (expenses)</b>		
Foreign currency gain	6,792	7,107
Interest	2,761	9,854
Other income (Note 10)	82,504	23,276
<b>Other income (expenses)</b>	<b>92,057</b>	<b>40,237</b>
<b>Net loss before taxes for the period</b>	<b>(195,169)</b>	<b>(268,398)</b>
Deferred income tax expense (Note 10)	(90,517)	-
<b>Net loss for the period</b>	<b>(285,686)</b>	<b>(268,398)</b>
<b>Other comprehensive loss</b>		
Foreign currency translation adjustment	(4,339)	(226)
<b>Comprehensive loss for the period</b>	<b>\$ (290,025)</b>	<b>\$ (268,624)</b>
Loss per share: Basic and Diluted	\$ (0.002)	\$ (0.002)
<b>Weighted average number of shares outstanding</b>	<b>148,133,801</b>	<b>127,090,912</b>

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

## DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital		Reserves	AOCL	Deficit	Total
		Number of Shares	Amount				
<b>Balance at September 30, 2018</b>		<b>126,816,999</b>	<b>\$ 46,503,207</b>	<b>\$ 6,400,821</b>	<b>\$ (66,196)</b>	<b>\$ (42,529,741)</b>	<b>\$ 10,308,091</b>
Net income for the period		-	-	-	-	(268,398)	(268,398)
Shares issued for resource properties		1,800,000	162,000	-	-	-	162,000
Shares issue costs	9	-	(1,649)	-	-	-	(1,649)
Share-based compensation	9	-	-	1,712	-	-	1,712
Foreign currency translation adjustment		-	-	-	(226)	-	(226)
<b>Change during the period</b>		<b>1,800,000</b>	<b>160,351</b>	<b>1,712</b>	<b>(226)</b>	<b>(268,398)</b>	<b>106,561</b>
<b>Balance at December 31, 2018</b>		<b>128,616,999</b>	<b>\$ 46,663,558</b>	<b>\$ 6,402,533</b>	<b>\$ (66,422)</b>	<b>\$ (42,798,139)</b>	<b>\$ 10,201,530</b>

	Notes	Share Capital		Reserves	AOCI	Deficit	Total
		Number of Shares	Amount				
<b>Balance at September 30, 2019</b>		<b>146,773,236</b>	<b>\$ 47,985,412</b>	<b>\$ 6,546,547</b>	<b>\$ (61,090)</b>	<b>\$ (44,030,655)</b>	<b>\$ 10,440,214</b>
Net loss for the period		-	-	-	-	(285,686)	(285,686)
Shares issued in private placement	9(b)	3,608,000	270,600	-	-	-	270,600
Flow through shares issued in private placement	9(b)	2,980,000	335,250	-	-	-	335,250
Flow through shares premium	10	-	(111,750)	-	-	-	(111,750)
Share issue costs	9(b)	-	(17,440)	2,765	-	-	(14,675)
Foreign currency translation adjustment		-	-	-	(4,339)	-	(4,339)
<b>Change during the period</b>		<b>6,588,000</b>	<b>476,660</b>	<b>2,765</b>	<b>(4,339)</b>	<b>(285,686)</b>	<b>189,400</b>
<b>Balance at December 31, 2019</b>		<b>153,361,236</b>	<b>48,462,072</b>	<b>6,549,312</b>	<b>(65,429)</b>	<b>(44,316,341)</b>	<b>10,629,614</b>

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

**DUNNEDIN VENTURES INC.**

Condensed Interim Consolidated Statements of Cash Flows  
December 31, 2019  
(Unaudited - Expressed in Canadian Dollars)

<b>Cash provided by / (used in):</b>	<i>Notes</i>	<b>Three Months Ended December 31, 2019</b>	Three Months Ended December 31, 2018
<b>Operating Activities:</b>			
Loss for the period	\$	<b>(285,686)</b>	\$ (268,398)
Items not affecting cash:			
Amortization		<b>203</b>	436
Deferred income tax expense and other		<b>8,013</b>	(23,276)
Stock based compensation		-	1,712
Impairment of exploration and evaluation assets		-	488
Net changes in non-cash working capital items:			
Amounts receivable		<b>(25,623)</b>	78,069
Due from Solstice		<b>33,384</b>	295,505
Advances and deposits		<b>(199,655)</b>	72,670
Accounts payable and accrued liabilities		<b>(25,842)</b>	80,584
		<b>(495,206)</b>	237,790
<b>Investing Activities:</b>			
Reclamation bonds		<b>951</b>	-
Exploration and evaluation assets		<b>(531,946)</b>	(687,529)
		<b>(530,995)</b>	(687,529)
<b>Financing Activities:</b>			
Shares issued for cash, net of share issuance costs		<b>587,231</b>	-
		<b>587,231</b>	-
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(4,339)</b>	(226)
<b>Change in cash and cash equivalents for the period</b>	\$	<b>(443,309)</b>	\$ (449,965)
<b>Cash and cash equivalents, beginning of the period</b>	\$	<b>812,909</b>	\$ 1,974,071
<b>Cash and cash equivalents, end of the period</b>	\$	<b>369,600</b>	\$ 1,524,106
<b>Supplemental Information:</b>			
<b>Non-cash investing and financing activities:</b>			
Common shares issued for interest in resource properties valued at quoted market prices on the date of issue	\$	-	\$ 162,000
Fair value of finders warrants		<b>2,765</b>	1,649
Change in mineral property costs included in accounts payable	\$	<b>(7,700)</b>	\$ (184,134)

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

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements  
December 31, 2019  
(Unaudited - Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange under the trading symbol DVI.

The Company's activities consist of the exploration and development of base metals and diamonds throughout the Americas. The head office and principal address of the Company are located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company ended up with net loss of \$285,686 during the three months ended December 31, 2019 and, as of that date, the accumulated deficit was \$44,316,341. The Company expects to incur future losses in the development of its business. While these consolidated financial statements have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

#### Statement of Compliance

These condensed interim consolidated financial statements for the three months ended December 31, 2019 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC") in effect at December 31, 2019. The Company has elected to present the statements of operations and comprehensive loss in a single statement.

The condensed interim consolidated financial statements of the Company for the three months ended December 31, 2019 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2020.

### 2. BASIS OF PREPARATION

#### Critical judgments in applying accounting policies

The preparation of these condensed interim 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 condensed interim consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim 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

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

### 2. BASIS OF PREPARATION (continued)

to be reasonable under the circumstances.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **New standards, interpretations and amendments not yet adopted**

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the years ended September 30, 2019 and 2018, except for the adoption, on October 1, 2019, of **IFRS 16, Leases and IFRIC 23, Uncertainty over Income Tax Treatments** which has an initial application as at this date.

The newly adopted IFRS 16, Leases standard establishes principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company has assessed its office lease agreement and concluded that the agreement does not constitute the ability to direct the use (right to use) of the underlying office premises on the context of IFRS 16. As such, the adoption of the above standard has not had an impact on the results and financial position of the Company.

The newly adopted IFRIC 23, Uncertainty over Income Tax Treatments clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of the above standard, amendments and interpretations has not had an impact on the financial statements of the Company.

### 4. RECLAMATION BONDS

	December 31, 2019	September 30, 2019
MPD	\$ 50,000	\$ 50,000
Trapper	30,284	30,284
Mohave	48,406	49,357
Kahuna	40,000	40,000
	<b>\$ 168,690</b>	<b>\$ 169,641</b>

The MPD portion of the reclamation bonds is a \$50,000 security deposit paid to the Ministry of Energy, Mines and Petroleum Resources of British Columbia. The security deposit was paid as a part of the permit application.

The Trapper portion of the reclamation bonds is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the Mines Act of the Province of British Columbia and Health, Safety and Reclamation Code for Mines in British Columbia. The reclamation bond amount of \$30,284 is presented as a noncurrent asset. The investment bears the variable interest rate of prime less 2.60% per annum and matures on April 24, 2020.

The Mohave portion of the reclamation bonds is a cost estimate paid by the Company to the Bureau of Land Management Kingman Field Office in the state of Arizona, USA. This cost estimate of US\$37,270 (\$48,406) is for the Company to meet its anticipated reclamation requirements.

The reclamation Letter of Credit relates to the Kahuna resource property, in the territory of Nunavut, and is recorded in reclamation bonds. A \$40,000 "Letter of Credit" was arranged with BMO on August 29, 2017 and amended on October 4, 2017. This letter is held by the financial institution as security for possible

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

### 4. RECLAMATION BONDS (continued)

reclamation obligations pursuant to Land Use License KVL315B01, issued by the Kivalliq Inuit Association and authorizes surface exploration activities on Inuit Owned Land parcel CI-15. The Letter of Credit is a certificate which is extended automatically from year to year, and available to the Kivalliq Inuit Association upon written demand.

### 5. PLAN OF ARRANGEMENT

On January 31, 2018, Dunnedin completed its previously announced plan of arrangement (the "Arrangement"), involving the spin-out of Solstice Gold Corp. ("Solstice"). Dunnedin transferred certain mineral claims and rights to all minerals, including metalloids, but excluding diamonds, gemstones and all minerals found within kimberlitic rocks on the Kahuna property and \$1,000,000 in cash to Solstice, in return for shares, which were then distributed to Dunnedin shareholders by way of the Arrangement.

Under the Arrangement, each Dunnedin shareholder received one common share in Solstice for every three Dunnedin shares held.

Holders of outstanding Dunnedin options received one fully vested option of Solstice for every three options held in Dunnedin with the same exercise price as the Dunnedin options. Holders of outstanding Dunnedin warrants also received one fully vested warrant of Solstice for every three warrants held in Dunnedin with the same exercise price of the Dunnedin warrants.

On April 13, 2018 an amendment was made to the Arrangement which increased the cash contribution from Dunnedin to Solstice by \$300,000, for a total contribution of \$1,300,000.

On January 31, 2018, the Company completed the Arrangement and including the amendment of April 13, 2018. The Arrangement was recorded as follows:

Fair value of Solstice common shares received	\$	8,604,713
Less: Net assets transferred		
Exploration and evaluation assets		965,879
Cash		1,300,000
Due from Solstice for expenses paid by the Company		(544,780)
Accounts payable and accrued liabilities		(8,295)
	\$	1,712,804
Net gain on distribution	\$	6,891,909

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

### 6. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the three months ended December 31, 2019:

	Notes	Trapper (BC, Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Four Points (USA)	Total
<b><u>Acquisition costs:</u></b>						
Beg balance, September 30, 2019		\$ -	\$ 2,873,760	\$ 380,272	\$ 175,875	\$ 3,429,907
Additions /(deductions) during the period:						
Common shares issued	6.a	-	-	-	-	-
Payments to third parties	6.a&b	-	-	-	-	-
Exploration and evaluation assets acquired	6.b	-	-	-	-	-
Claim fees		-	1,100	1,513	224	2,837
Foreign Exchange Movements		-	-	-	6	6
<b>Acquisition costs, December 31, 2019</b>		<b>\$ -</b>	<b>\$ 2,874,860</b>	<b>\$ 381,785</b>	<b>\$ 176,105</b>	<b>\$ 3,432,750</b>
<b><u>Exploration costs:</u></b>						
Beg balance, September 30, 2019		\$ -	\$ 6,630,407	\$ 325,045	\$ 43,585	\$ 6,999,037
Additions /(deductions) during the period:						
Geological consulting & drilling	8	-	9,823	394,824	11,987	416,634
Aircraft charter		-	-	-	-	-
Assays	8	-	-	30,359	-	30,359
Exploration support		-	1,365	57,406	-	58,771
Fuel		-	2,000	683	-	2,683
Travel		-	-	12,655	-	12,655
Foreign Exchange Movements		-	-	-	301	301
Impairment of exploration costs		-	-	-	-	-
<b>Exploration costs, December 31, 2019</b>		<b>\$ -</b>	<b>\$ 6,643,595</b>	<b>\$ 820,972</b>	<b>\$ 55,873</b>	<b>\$ 7,520,440</b>
<b>Balance, December 31, 2019</b>		<b>\$ -</b>	<b>\$ 9,518,455</b>	<b>\$ 1,202,757</b>	<b>\$ 231,978</b>	<b>\$ 10,953,190</b>

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral projects' costs by project for the year ended September 30, 2019:

	Notes	Trapper (BC, Canada)	Kahuna (NU, Canada)	MPD (BC, Canada)	Four Points (USA)	Total
<b>Acquisition costs:</b>						
Beg balance, September 30, 2018		\$ -	\$ 2,862,517	\$ -	\$ -	\$ 2,862,517
Additions /(deductions) during the year:						
Common shares issued	6.a	-	-	162,000	100,000	262,000
Payments to third parties	6.a&b	-	-	200,000	15,158	215,158
Exploration and evaluation assets acquired	6.b	-	-	-	34,842	34,842
Claim fees		-	11,243	18,272	25,875	55,390
<b>Acquisition costs, September 30, 2019</b>		<b>\$ -</b>	<b>\$ 2,873,760</b>	<b>\$ 380,272</b>	<b>\$ 175,875</b>	<b>\$ 3,429,907</b>
<b>Exploration costs:</b>						
Beg balance, September 30, 2018		\$ -	\$ 6,162,761	\$ -	\$ -	\$ 6,162,761
Additions /(deductions) during the year:						
Geological consulting & drilling	8	15,061	228,808	285,510	43,155	572,534
Aircraft charter		-	85,698	-	-	85,698
Assays	8	-	45,708	21,871	-	67,579
Exploration support		-	65,613	12,954	70	78,637
Fuel		-	8,446	1,332	-	9,778
Travel		-	33,373	3,378	360	37,111
Impairment of exploration costs		(15,061)	-	-	-	(15,061)
<b>Exploration costs, September 30, 2019</b>		<b>\$ -</b>	<b>\$ 6,630,407</b>	<b>\$ 325,045</b>	<b>\$ 43,585</b>	<b>\$ 6,999,037</b>
<b>Balance, September 30, 2019</b>		<b>\$ -</b>	<b>\$ 9,504,167</b>	<b>\$ 705,317</b>	<b>\$ 219,460</b>	<b>\$ 10,428,944</b>

#### a. Man, Prime and Dillard Property

On November 29, 2018, the Company announced it has entered into a purchase agreement to acquire 100% ownership of the 78.5 square kilometre consolidated Man, Prime and Dillard properties, the "MPD Project" in south-central British Columbia. The MPD Project is within the Quesnel Trough, British Columbia's primary copper-producing belt, and has characteristics similar to the neighboring alkalic porphyry systems at the Copper Mountain Mine to the south, New Gold's New Afton Mine to the north.

In relation to the offer, the Company paid \$100,000 in cash and 1,800,000 Dunnedin shares valued at \$162,000, being the fair value of the shares at issuance date, which were paid on the closing of the transaction. A further \$100,000 was paid in March, 2019. The agreement is subject to a 1.25% to 2% net smelter return royalty, which is payable on only three of a total of 28 mineral claims. No royalties are payable on the remaining 25 claims.

A mining permit was obtained for the MPD property. In connection with the permit a refundable \$50,000

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### a. Man, Prime and Dillard Property (continued)

security deposit was posted with the British Columbia Minister of Finance (see Note 4).

As part of the MPD permit, the Company has also agreed to assume the clean up obligation of a previous operator, estimated by management to be \$100,000. This is recorded in Exploration and Evaluation assets, Geological consulting and drilling, and the liability is recorded in Accounts Payable and Accrued Liabilities.

#### b. Mohave Property

On March 4, 2019 the Company announced that it had entered into a letter of intent to acquire 100% of the Mohave copper-molybdenum-silver porphyry ("Mohave") option agreement in Yavapai County, Arizona, USA, from Bluestone Resources Inc. ("Bluestone").

In relation to the acquisition, the Company paid \$50,000 in cash and issued 1,162,790 common shares at a fair value of \$100,000 in Dunnedin shares upon closing of the transaction, which occurred on May 22, 2019. The Company has committed to issue 500,000 shares upon the public disclosure of a 43-101 resource of the project, 500,000 shares upon the public disclosure of a preliminary economic analysis for the project, 500,000 shares upon the public disclosure of a pre-feasibility or more advanced study for the project, and a 0.5% NSR royalty on the Mohave claims and on a 2km area of interest around the Mohave claims.

In addition to the above commitments to Bluestone Resources Inc., the Company is committed to pay USD \$1,000,000 to the original optionor of the Mohave property no later than 30 days after the Company announces a production decision or has secured financing to implement such a decision.

In addition to the 0.5% NSR royalty to Bluestone, Mohave property is subject to a 3.5% NSR royalty to the original optionor of which 1% can be bought back for US \$1,000,000.

The measurement of the commitments and NSRs have not been reflected in the asset acquisition transaction and will recognize such liabilities as the related activities that give rise to the variability of the liability occurs.

The breakdown of the transaction is below:

#### Assets acquired:

Acquisition costs	\$	115,158
Exploration and evaluation assets		34,842
	\$	150,000

#### Consideration:

Cash	\$	50,000
Shares issued and measured at issuance date		100,000
	\$	150,000

#### c. Trapper Property

By agreement dated November 29, 2010 the Company entered into an option agreement (the "Option"), with Constantine Metal Resources Ltd. ("CMR") to acquire a 70% interest in CMR's Trapper Gold Project in British Columbia, Canada. On June 28, 2013, the Option was terminated and, upon termination, CMR assigned its underlying agreement with the property owner for the Trapper property to the Company, resulting in the Company owning 100% of the property.

## DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

December 31, 2019

(Unaudited - Expressed in Canadian Dollars)

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### c. Trapper Property (continued)

CMR has retained the right to participate in any future financing of the Company of up to 5% of the proposed issuance of shares, provided CMR has ownership of at least 5% of the outstanding issued shares of Dunnedin at the time of financing.

The project is subject to a 2.5% net smelter return royalty ("NSR") to the property vendor and a 0.5% NSR to CMR. The Company has the option to purchase 1% of the NSR from the property vendor for \$500,000 and, if it exercises this option, CMR has a right to acquire an additional 0.5% NSR against payment of \$250,000.

#### d. Kahuna Property

On November 4, 2014, the Company signed an option agreement to acquire a 100% interest in the Kahuna Diamond project located in Nunavut, Canada. Under the terms of the agreement, the Company had to make cumulative exploration expenditures on the project totaling \$5,000,000, issue 11,000,000 common shares, and pay \$700,000 over four years. On April 30, 2017, the Company entered into a Letter Agreement where it accelerated its option agreement to acquire a 100% undivided interest in the Kahuna project by paying the remaining cash (\$100,000 upon signing – paid, and \$250,000 upon completion of its financing – paid, and issuing the remaining 4,400,000 common shares – issued). The Company is no longer required to meet the remainder of its previously disclosed \$5 million cumulative exploration expenditures commitment.

The option agreement contained a Royalty Agreement clause which stated the following; In accordance with the terms of the Royalty Agreement, the Kahuna Property is currently subject to two separate two percent (2%) gross overriding royalties on diamonds (each, a "GOR" and together, the "GORs"), and two separate two percent (2%) net smelter return royalties (each, an "NSR" and together, the "NSRs") on all other minerals derived from the Property. Pursuant to the Royalty Agreement, one percent (1%) of each GOR may be purchased by either of the parties for \$2 million, and one percent (1%) of each NSR may be purchased by either of the parties for \$2 million.

On December 11, 2015, the Company entered into an agreement with Kel-ex Development ("Kel-ex"), a private company controlled by an advisor to the Company, whereby Kel-ex will provide equity financing equal to one-third of the Company's diamond processing and other laboratory costs incurred through a laboratory controlled by the advisor. Kel-ex has continued to maintain its interest as per the agreement. The advisor has also agreed to provide certain professional and technical advisory services to the Company, in exchange the Company has granted a right-of-first-refusal to Kel-ex on the sale of its interests in the Kahuna diamond project.

On May 11, 2017, the Company proceeded with its intention to spin out its rights to gold mineralization at the Kahuna Property. On July 20, 2017, Dunnedin released details of the transaction to spin out a company, Solstice, that would independently explore the Kahuna Property for gold.

During the period ended December 31, 2017, Dunnedin and Solstice entered into the Kahuna Property Land Transfer and Rights Agreement, which set out the terms to which the Company will transfer mineral claims located in Nunavut to Solstice. The transferred claims are free and clear of any and all mortgages, charges, pledges, liens, licences, privileges, security interests, royalties, encumbrances, claims or rights or interest attaching to or affecting property, whether recorded or unrecorded, and whether arising by agreement, statute or otherwise under applicable laws, apart from the gross overriding royalties and the net smelter return royalties (see Note 5).

## DUNNEDIN VENTURES INC.

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### d. Kahuna Property (continued)

The Kahuna property is subject to an Annual Assessment Expenditure Commitment on active claims ranging from \$165,000 to \$454,000 over the next five years. The 2019 commitment was \$3,000.

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable include primarily amounts owing for Company's exploration programs, and general corporate expenditures.

The Company is disputing \$287,154 of accounts payable that arose in 2011 and the Company believes these amounts will be settled without payment. This disputed amount is included in the 2019 year end balance and quarter one 2020 balance.

### 8. RELATED PARTY TRANSACTIONS

The Company's transactions with related parties during the year ended September 30, 2019 and 2018 consist of transactions with directors, officers, and shareholders of the Company.

Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers:

	Three months ended December 31, 2019	Three months ended December 31, 2018
Geological and assay fees capitalized to exploration & evaluation <sup>(1)</sup>	\$ 86,781	\$ 200,000
Management fees <sup>(2)</sup>	73,313	91,250
Total	\$ 160,094	\$ 291,250

(1) Geological fees were paid to the Company's VP Exploration, and the VP Operations.

(2) Management fees includes salaries and compensation to the Company's CEO & President, VP Exploration, VP Operations, and the CFO.

As at December 31, 2019, \$54,261 (2018 – \$524,771) was payable to the Company's VP Exploration, VP Operations and a former insider of the Company.

As at December 31, 2019, \$18,879 (2018 - \$18,879) had been advanced to a company with common directors as a security deposit.

### 9. SHARE CAPITAL

#### a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

#### b. Share Issuances

##### Issued during the three months ended December 31, 2019

On December 12, 2019, the Company announced that it has closed a previously announced non-brokered private placement of non flow-through units and flow-through units for gross proceeds of \$605,850. The Company has issued 3,608,000 NFT Units

## DUNNEDIN VENTURES INC.

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### 9. SHARE CAPITAL *(continued)*

#### b. Share Issuances *(continued)*

at a price of \$0.075 per share and 2,980,000 FT Units at a price of \$0.1125 per share through the Offering. Each Unit consists of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.15 for a period of twenty-four months. The warrants are subject to accelerated expiry in the event the common shares of the Company trade at a closing price of at least \$0.25 for 20 consecutive trading days.

In connection with the closing of the placement, the Company incurred \$21,384 of share issuance costs, including \$18,619 paid in cash and \$2,765 recorded as the fair value of warrants issued to finders. Of this total, \$3,944 was allocated to share issuance costs related to flow through share premium (Note 10). These finders' warrants are subject to accelerated expiry on the same terms as the warrants comprising in the FT Units and the NFT Units. All securities issued in connection with the private placement are subject to a four month-and-one-day statutory hold period from the date of issue, expiring on April 13, 2020.

#### Issued during the year ended September 30, 2019

During the twelve months ended September 30, 2019, 1,800,000 shares were valued at \$0.09 per share, being the value of shares on the date of issuance and issued as part of the purchase agreement to acquire 100% ownership of the MPD property (see Note 6a).

On April 29, 2019 the Company announced that it had closed a non-brokered private placement of non-flow through units and flow through units for gross proceeds of \$1,482,050.

The Company issued 11,458,999 non-flow through units at a price of \$0.075 per share and 5,534,448 flow through units at a price of \$0.1125 per share. Each Unit consists of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.15 for a period of twenty-four months. The common share purchase warrants issued as part of the Units are subject to accelerated expiry in the event the common shares of the Company trade on the TSX Venture Exchange at a closing price of \$0.25 or more for twenty consecutive trading days.

In connection with the closing of the placement, the Company incurred \$62,878 of share issuance costs, including \$45,329 paid in cash and \$17,549 recorded as the fair value of warrants issued to finders. Of this total, \$8,574 was allocated to share issuance costs related to flow through share premium (Note 10). These finders' warrants are subject to accelerated expiry on the same terms as the warrants comprising in the FT Units and the NFT Units. All securities issued in connection with the private placement are subject to a four month-and-one-day statutory hold period from the date of issue, expiring on August 30, 2019.

On May 22, 2019, the Company closed its acquisition of the Mohave project by issuing 1,162,790 common shares valued at \$0.086 per share, being the value of shares on the date of issuance, paying \$50,000 in cash, and receiving TSX Venture Exchange approval of the transaction.

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### 9. SHARE CAPITAL (continued)

#### c. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance as at September 30, 2018	16,066,914	\$0.26
Issued	8,968,964	\$0.15
Expired	(1,118,180)	\$0.17
Balance as at September 30, 2019	23,917,698	\$0.26
Issued	3,373,867	\$0.15
Expired	(140,000)	\$0.15
<b>Balance as at December 31, 2019</b>	<b>27,151,565</b>	<b>\$0.21</b>

As at December 31, 2019, the outstanding warrants are summarized as follows:

Expiry date (mm/dd/yyyy)	Number of Warrants	Weighted Average Remaining Life in Years	Weighted Average Exercise Price
4/18/2020	2,806,973	0.55	\$0.35
4/18/2020	137,000	0.55	\$0.47
8/14/2020	2,725,152	0.87	\$0.28
8/14/2020	182,609	0.87	\$0.23
4/29/2021	8,968,964	1.58	\$0.15
07/17/2021	8,294,500 <sup>2</sup>	1.80	\$0.23
07/17/2021	662,500 <sup>2</sup>	1.80	\$0.27
12/12/2021	3,294,000	1.95	\$0.15
12/12/2021	79,867	1.95	\$0.15
	<b>27,151,565<sup>1</sup></b>	<b>1.29</b>	<b>\$0.21</b>

<sup>1</sup> All outstanding warrants were exercisable as at December 31, 2019. 140,000 warrants expired during the period.

<sup>2</sup> On June 26, 2019 the Company announced that it will extend the expiry dates of 8,957,000 outstanding warrants by two years. The original expiry date was July 17, 2019. TSX approval was received on July 2, 2019.

The fair value of the finders' warrants was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	April 2019	December 2019
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	1.56%	1.70%
Weighted average expected life	2 year	2 year
Weighted average expected volatility	117%	128%
Weighted average fair value of warrants granted	\$0.03716	\$0.03462

#### d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of

## DUNNEDIN VENTURES INC.

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### 9. SHARE CAPITAL (continued)

#### d. Stock Options (continued)

10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

There were no options granted during the three months ended December 31, 2019. 1,275,000 options expired during the three months ended December 31, 2019.

The Company granted 1,750,000 stock options during the year ended September 30, 2019 resulting in share-based compensation of \$128,177 for the year ended September 30, 2019.

During the year ended September 30, 2019, 150,000 stock options expired, unexercised.

The fair value of the options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	2019
Expected dividend yield	0%
Weighted average risk-free interest rate	1.55%-1.76%
Weighted average expected life	5 year
Weighted average expected volatility	144%
Weighted average fair value of options granted	\$0.0720

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at September 30, 2018	9,070,000	\$ 0.15
Granted	1,750,000	\$ 0.075
Exercised	-	-
Expired	(150,000)	\$ 0.13
Balance as at September 30, 2019	10,670,000	\$ 0.134
Granted	-	-
Exercised	-	-
Expired	(1,275,000)	\$ 0.07
<b>Balance as at December 31, 2019</b>	<b>9,395,000<sup>1</sup></b>	<b>\$ 0.142</b>

<sup>1</sup> All outstanding options were exercisable as at December 31, 2019.

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### 9. SHARE CAPITAL (continued)

#### d. Stock Options (continued)

As at December 31, 2019, the Company has outstanding stock options as follows:

Expiry date (mm/dd/yyyy)	Number of Options	Weighted Average Remaining life in years	Weighted Average Exercise Price
05/07/2020	525,000	0.35	\$0.07
08/04/2021	200,000	1.59	\$0.10
09/06/2021	3,500,000	1.68	\$0.13
10/04/2021	150,000	1.76	\$0.13
01/18/2022	1,170,000	2.05	\$0.14
01/31/2023	2,150,000	3.09	\$0.24
03/04/2024	1,700,000	4.43	\$0.075
	<b>9,395,000</b>	<b>2.43</b>	<b>\$0.142</b>

### 10. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	Issued on August 14, 2018	Issued on April 29, 2019	Issued on December 12, 2019	Total
<b>Balance at October 1, 2018</b>	\$ 52,334	\$ -	\$ -	\$ 52,334
Liability incurred on flow through shares issued		207,542		207,542
Flow-through issuance costs (Note 9b)		(8,574)	-	(8,574)
Settlement of flow through share liability on incurring expenditures	(52,334)	(116,464)	-	(168,798)
<b>Balance at September 30, 2019</b>	\$ -	\$ 82,504	\$ -	\$ 82,504
Liability incurred on flow through shares issued			111,750	111,750
Flow-through issuance costs (Note 9b)			(3,944)	(3,944)
Settlement of flow through share liability on incurring expenditures	-	(82,504)	-	(82,504)
<b>Balance at December 31, 2019</b>	\$ -	\$ -	\$ 107,806	\$ 107,806

As at December 31, 2019, the Company has fulfilled 100% of its commitment to incur expenditures in relation to flow through share financings from August 2018 and April 2019.

In relation to the flow through share financings, the Company recorded \$90,517 as deferred income tax expense (2019 fiscal year - \$168,109), a net flow through premium liability of \$82,504 was reversed during the period (2019 fiscal year - \$177,372), and \$657,987 was recorded as a deferred tax liability (2019 fiscal year - \$567,470).

## DUNNEDIN VENTURES INC.

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### 11. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments are summarized below.

**Liquidity risk** is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at December 31, 2019, the Company had cash and cash equivalents balance of \$369,600 (September 30, 2019 - \$812,909) to settle current liabilities of \$571,497 that are due within one year (September 30, 2019 - \$605,039).

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

**Credit risk** is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. As at December 31, 2019, the Company had a receivable balance of \$55,244 (September 30, 2019 - \$29,621), which primarily relates to GST receivable from the Federal Government of Canada. There was \$418,737 in Advances and Deposits as at December 31, 2019 (September 30, 2019 - \$219,082) this was made up of predominately of prepayments to vendors.

**Interest rate risk** is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2019, the Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances are current and as such, are not subject to interest.

**Currency risk** relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. As at December 31, 2019, the Company has in US dollars US\$17,210 or C\$22,352 in equivalent (September 30, 2019 – US\$17,819 or C\$23,598 in equivalent).

### 12. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has no debt and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

### 13. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada and the USA (Note 6). No material assets and revenue exist in the USA for separate presentation, other than what is included in Note 6.

## **DUNNEDIN VENTURES INC.**

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### **14. SUBSEQUENT EVENTS**

On February 13, 2020 the Company announced a non-brokered private placement financing to raise gross proceeds of up to \$3,000,000 through the issuance of a combination of non-flow through units and flow-through units. In conjunction with the private placement, the Company's name will be changed to Kodiak Copper Corp.. In addition Dunnedin plans to consolidate the Company's common shares on the basis of one new post-consolidation share for every five pre-consolidation common shares.