

KORE MINING LTD.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020

(Unaudited)



NOTICE OF NO AUDITOR REVIEW

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

KORE MINING LTD.**Condensed Interim Consolidated Statements of Financial Position***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)*

As at		March 31, 2020	December 31, 2019
	Note		
Current assets			
Cash and cash equivalents		\$ 2,340,832	\$ 3,133,623
Amounts receivable		51,721	208,380
Prepaid expenses		131,293	119,035
Total current assets		2,523,846	3,461,038
Non-current assets			
Deposits		43,823	38,823
Mineral properties	4	1,412,059	1,373,014
Total assets		\$ 3,979,728	\$ 4,872,875
Current liabilities			
Accounts payable		\$ 1,097,072	\$ 707,361
Total liabilities		1,097,072	707,361
Shareholders' equity			
Share capital	5	11,085,678	11,085,678
Warrants		573,516	573,516
Reserves		944,976	878,946
Deficit		(9,735,545)	(8,325,326)
Accumulated other comprehensive income (loss)		14,031	(47,300)
Total shareholders' equity		2,882,656	4,165,514
Total shareholders' equity and liabilities		\$ 3,979,728	\$ 4,872,875
Going concern	2		
Subsequent events	5		

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

KORE MINING LTD.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)*

		For the three months ended March 31, 2020	For the three months ended March 31, 2019
	Note		
Expenses			
Exploration and evaluation expenses	4	\$ 819,978	\$ 22,984
General and administration		78,055	48,950
Management fees, wages and corporate advisory fees	6	190,230	137,903
Marketing, advisory and investor relations		163,922	136,829
Professional fees		100,650	54,044
Share-based payments	5	66,030	114,232
		(1,418,865)	(514,942)
Other income/expense			
Foreign exchange gain (loss)		5,210	2,591
Interest and finance income (expense)		3,435	112
		8,645	2,703
Net loss for the period		\$ (1,410,220)	\$ (512,239)
Item that may be subsequently reclassified to net income			
Cumulative translation adjustment		61,331	(22,921)
Comprehensive loss for the period		\$ (1,348,889)	\$ (535,160)
Basic and fully diluted loss per common share		\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding		88,841,914	71,241,914

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KORE MINING LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars unless otherwise noted)

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
CASH USED IN OPERATING ACTIVITIES		
Loss for the year	\$ (1,410,220)	\$ (512,239)
Items not involving cash:		
Share-based payments	66,030	114,232
Changes in non-cash working capital items:		
Amounts receivable	156,659	51,252
Prepaid expenses and advances	(12,258)	73,475
Deposits	(5,000)	-
Accounts payable	389,711	292,236
	(815,078)	18,956
FINANCING ACTIVITIES		
	-	-
INVESTING ACTIVITIES		
	-	-
Impact of changes in foreign exchange	22,287	(7,757)
Change in cash	(792,791)	11,199
Cash at beginning of period	3,133,623	30,620
Cash at end of period	\$ 2,340,832	\$ 41,819

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KORE MINING LTD.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

(Expressed in Canadian dollars unless otherwise noted)

	<u>Common Shares</u>		Warrants	Reserves	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Number	Amount \$					
December 31, 2018	71,241,914	6,306,463	573,516	341,739	(6,535,002)	10,307	697,023
Share-based payments	-	-	-	114,232	-	-	114,232
Net loss for the period	-	-	-	-	(512,239)	-	(512,239)
Other comprehensive income (loss)	-	-	-	-	-	(22,921)	(22,921)
March 31, 2019	71,241,914	6,306,463	573,516	455,971	(7,047,241)	(12,614)	276,095
Shares issued on private placements	17,600,000	4,900,000	-	-	-	-	4,900,000
Share issuance costs	-	(120,785)	-	-	-	-	(120,785)
Share-based payments	-	-	-	422,975	-	-	422,975
Net loss for the period	-	-	-	-	(1,278,084)	-	(1,278,084)
Other comprehensive income (loss)	-	-	-	-	-	(34,686)	(34,686)
December 31, 2019	88,841,914	11,085,678	573,516	878,946	(8,325,325)	(47,300)	4,165,515
Share-based payments	-	-	-	66,030	-	-	66,030
Net loss for the period	-	-	-	-	(1,410,220)	-	(1,410,220)
Other comprehensive income (loss)	-	-	-	-	-	61,331	61,331
March 31, 2020	88,841,914	11,085,678	573,516	944,976	(9,735,545)	14,031	2,882,656

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

KORE MINING LTD.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS

KORE Mining Ltd. (the “Company”) is an exploration and development stage company that trades on the Toronto Stock Exchange Venture (“TSXV”) under the symbol ‘KORE’. The Company is focused on the development of its California gold projects, Imperial and Long Valley, as well as projects in British Columbia, Canada. The Company’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is in the process of exploring and evaluating its mineral resource properties and has not yet determined whether these properties contain economically recoverable mineral reserves. The recoverability of the amounts capitalized to exploration and evaluation assets is ultimately dependent upon the existence of economically recoverable ore reserves and resources, securing and maintaining title and/or beneficial interest in the properties, obtaining necessary financing to continue to explore, evaluate and develop the properties, and upon future profitable production or proceeds from disposition of the exploration and evaluation assets. The amounts shown as exploration and evaluation assets represent costs incurred in acquiring the assets, and do not necessarily represent current or future fair values.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds, however the impact to date has been limited.

As at March 31, 2020, the Company had working capital of \$1,426,774 (current assets less current liabilities) and has incurred losses since inception with a deficit of \$9,735,545. For the three months ended March 31, 2020, the Company used cash flows in operations of \$815,078 (March 31, 2019 cash provided by operations - \$18,956). Subsequent to March 31, 2020, the Company raised an additional \$3,000,000 pursuant to a private placement (Note 5). The Company’s ability to continue to meet its obligations and carry out its planned exploration and development activities for at least the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, this material uncertainty gives rise to significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)*

("IASB") as applicable to interim financial reports, including International Accounting Standard 34, "Interim Financial Reporting". These financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on May 26, 2020.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as listed below. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. The results and financial position of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements incorporate the accounts of the Company and the following subsidiaries:

Name of Subsidiary	Incorporation Jurisdiction	Percentage Ownership	Principal Activity
Imperial USA Corp.	Nevada, USA	100%	Mineral Property Exploration & Development
Imperial Gold Corporation	Nevada, USA	100%	Holding Company
Kore USA Ltd.	Nevada, USA	100%	Mineral Property Exploration & Development
1184938 BC Ltd.	BC, Canada	100%	Holding Company

Eureka Minerals (USA) Inc. was dissolved. All intercompany balances and transactions have been eliminated on consolidation.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis. The statements are presented in Canadian dollars unless otherwise noted.

Significant Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)***3. BASIS OF PRESENTATION (cont'd...)*****Critical Judgments***

The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 2.

The Company is also required to make significant judgments on the ongoing feasibility of exploration and evaluation assets, and whether there are indicators that the right to explore the specific area has expired or will be allowed to expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation costs. If any of these indicators are present, management would need to assess whether the exploration and evaluation property is impaired.

Significant Estimates

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and the US and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian and US tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

4. MINERAL PROPERTIES

The ending balance and summary of the changes to mineral properties (where applicable) for the three months ended March 31, 2020 is as follows:

	Long Valley USA		Imperial USA		FG Gold Canada		Gold Creek Canada		Total	
Balance, December 31, 2018	\$	527,374	\$	216,675	\$	370,607	\$	498,136	\$	1,612,792
Royalty sale		-		(207,966)		-		-		(207,966)
Foreign exchange adjustment		(23,103)		(8,709)		-		-		(31,812)
Balance, December 31, 2019	\$	504,271	\$	-	\$	370,607	\$	498,136	\$	1,373,014
Foreign exchange adjustment		39,045		-		-		-		39,045
Balance, March 31, 2020	\$	543,316	\$	-	\$	370,607	\$	498,136	\$	1,412,059

Acquisition of Imperial Project

In March 2017, the Company purchased Imperial USA Corp. which owns the Imperial project located in California. In settlement of the purchase price, the Company paid US\$150,000. The remaining payments under the agreement comprise US\$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment ("PEA") or similar report and US\$1,000,000 payable 30 days after the date that gold is poured from ore mined from the related properties. During the year ended December 31, 2019, the Company amended these terms such that the US\$1,000,000 payable upon announcement of a PEA, if completed within the next twelve months, may be settled in common shares of the Company; in April 2020, the Company announced the PEA results which has triggered the liability to settle in shares the payment of US\$1,000,000. The vendor retains a 1% net smelter return royalty ("NSR") on the property. The vendor has the option to receive shares in the Company in settlement of the remaining payments up to achieving a maximum 4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

KORE MINING LTD.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars unless otherwise noted)

4. MINERAL PROPERTIES (cont'd...)

Acquisition of Imperial Project (cont'd)

In addition, under the agreement, the Company has committed to incur US\$5 million in exploration and development expenditures on the Imperial Project on or before March 2022, the fifth anniversary of the date of the Imperial Purchase Agreement, of which US\$1,983,873 (\$2,597,923) has been incurred as of March 31, 2020. In the event that the Company does not incur these expenditures within this timeframe, the Company must then pay US\$1,000,000 to the vendor.

In May 2019, the Company received an investment by Macquarie Bank Ltd and its affiliates (collectively, "Macquarie") of \$4,000,000. As part of the investment by Macquarie, Macquarie subscribed for 6,000,000 common shares and acquired a 1% NSR royalty (the "Macquarie Royalty") on the Imperial Project for a total cost of \$4,000,000. The agreement provides for certain rights for Macquarie to provide project development financing, rights of refusal and offer on additional royalty issuances and sales, and prescribes the proceeds to be used primarily to advance permitting of the Imperial Project. The Company maintains a right to buy back the Macquarie Royalty on the following terms: i) within 6 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than \$0.75 per share, the Company may buy back the Macquarie Royalty for \$4,750,000; or ii) within greater than 6 months but less than 12 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than \$1.00 per share, the Company may buy back the Macquarie Royalty for \$6,750,000.

The Company incurred costs of \$151,255 in connection with this royalty sale. The net proceeds of \$2,348,745 from the royalty portion of the investment were applied first to amounts capitalized in connection with the Imperial project of \$207,966, and the remainder being \$2,140,749 was recorded as a gain on sale of royalty interest.

Acquisition of Long Valley Project

In March 2017, the Company purchased certain mining claims in the Long Valley area of California with an upfront payment of US\$350,000 to the vendor. The remaining payments under the agreement comprise US\$500,000 due 30 days after commencement of commercial production and US\$500,000 payable on the 12 month anniversary of the commencement of commercial production. A US\$25,000 deposit was paid to the vendor prior to execution of the purchase agreement, which will be applied to the final payment, unless forfeited in the event the agreement is terminated. The vendor has the option to receive shares in the Company in settlement of the remaining payments.

The vendor retained a net smelter return royalty on the claims ("the Seller NSR"). The Seller NSR provides for a royalty of 0.5% when the price of gold is under US\$1,400/oz, 1.0% when the price of gold is between US\$1,401 to US\$1,600/oz and 2.0% when the price of gold is above US\$1,600/oz. The Company has the option to purchase back 1% of the royalty when the price of gold is above US\$1,600/oz for US\$2 million if purchased prior to the announcement of a feasibility study or for US\$4 million if repurchased prior to commencement of commercial production. In addition, there is a further 1% NSR payable to another third party.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)***4. MINERAL PROPERTIES (cont'd...)****Acquisition of FG Gold Project**

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in certain claims comprising the FG Gold project located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 3% NSR which becomes payable after the capital required to bring the property into commercial production is recovered from production. The NSR is limited to a maximum of \$2,600,000 with an allowance for the change in the Consumer Price Index from September 1989 to the date the royalty becomes payable.

Acquisition of Gold Creek Project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in the Gold Creek project, located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 1% NSR of which the Company may purchase 50% (being 0.5%) for \$1,000,000.

Acquisition of White Gold Project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in the White Gold Project, located in Yukon, Canada. The property is subject to annual work commitments of \$187,500 in each of 2020, 2021 and 2022.

Details of the exploration and evaluation expenses incurred are as follows:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
Assay and sampling	\$ 16,563	\$ 84,658
Claim maintenance	4,203	203,741
Community consultation	16,008	-
Drilling	307,867	-
Engineering, metallurgy and geotechnical	109,068	93,136
Environmental studies	61,303	-
Geographic information system	-	9,463
Geological & project evaluation	83,644	41,011
Geophysics	180,164	-
Permitting	7,064	433,993
Travel	42,072	9,021
Other recovery	(7,978)	-
	\$ 819,978	\$ 875,023

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)***5. SHARE CAPITAL****Authorized**

Unlimited number of common shares with no par value.

There were no shares issued during the three months ended March 31, 2020.

Subsequent to March 31, 2020, the Company issued 6,666,666 common shares at a price of \$0.45 per share pursuant to a private placement.

Stock Options

Pursuant to a stock option plan (the “Plan”) for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, with the exercise price to be determined on the date of issuance of the options. The term of options granted under the plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, but the exercise price shall not be less than the price determined by the policies of the stock exchange on which the Company’s common shares are then listed.

A summary of stock option activity for the three months ended March 31, 2020 is as follows:

	Number of options	Weighted average exercise price	
Outstanding options, December 31, 2018	1,935,000	\$	0.58
Granted	6,250,000		0.21
Expired	(385,000)		0.88
Outstanding options, December 31, 2019 & March 31, 2020	7,800,000	\$	0.27

As at March 31, 2020, the following stock options were outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price
November 1, 2021	300,000	300,000	\$ 0.50
November 1, 2023	1,250,000	1,250,000	0.50
January 13, 2024	2,500,000	1,666,666	0.14
January 13, 2024	500,000	500,000	0.14
May 9, 2024	150,000	150,000	0.25
July 3, 2024	2,600,000	1,500,000	0.27
October 18, 2024	500,000	500,000	0.29
	7,800,000	5,866,666	

Subsequent to March 31, 2020, 833,332 options were exercised for proceeds of \$116,666 and 1,000,000 options with an exercise price of \$0.435 and a term of 5 years were granted.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)***5. SHARE CAPITAL (cont'd...)****Warrants**

A summary of warrant activity for the three months ended March 31, 2020:

	Number of warrants	Weighted average exercise price	
Outstanding warrants, December 31, 2018	2,966,605	\$	0.83
Expired	(337,105)		1.50
Outstanding warrants, December 31, 2019 & March 31, 2020	2,629,500	\$	0.74

As at March 31, 2020, the following warrants were outstanding:

Expiry date	Number of warrants outstanding	Exercise price	
June 10, 2020	121,500	\$	1.25
October 21, 2020	308,000		0.50
October 21, 2020	2,200,000		0.75
	2,629,500		

Share-Based Compensation

During the three months ended March 31, 2020, the Company did not grant any stock options, however recorded an expense of \$66,030 (2019 - \$114,232) in connection with the vesting of options granted during the year ended December 31, 2019.

6. RELATED PARTY TRANSACTIONS AND BALANCES**Related Party Transactions**

During the three months ended March 31, 2020, the related party transactions (excluding key management compensation) were as follows:

a) A company owned by a relative of a director provided marketing consulting services of \$nil (2019 - \$14,250) for the three months ended March 31, 2020.

b) Amounts owing to related parties are unsecured, non-interest bearing and due on demand. As at March 31, 2020, \$67,893 (2018 - \$899,100) is due to related parties.

Key Management Compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chairman, President & Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Directors. For the three months ended March 31, 2020, total key management compensation was \$237,130 (2019 - \$208,332), which includes management fees and salaries of \$171,000 (2018 - \$129,000) and share-based compensation of \$66,030 (2018 - \$79,332).

KORE MINING LTD.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2020

(Unaudited)

(Expressed in Canadian dollars unless otherwise noted)

7. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as equity.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that is intended to provide sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the future. (See Note 2).

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements. There have not been any changes to the Company's capital management policy during the period.

8. RISK MANAGEMENT

Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2020, the Company had working capital of \$1,426,774 and it does not have any long term monetary liabilities. Subsequent to March 31, 2020, the Company raised an additional \$3,000,000 pursuant to a private placement (Note 5). The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they fall due. As at March 31, 2020, the Company had cash of \$3,133,623 to settle current liabilities of \$1,097,072. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See Note 2.

c. Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

KORE MINING LTD.**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2020***(Unaudited)**(Expressed in Canadian dollars unless otherwise noted)***8. RISK MANAGEMENT (cont'd...)****d. Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian and United States dollars. The portion of the Company's funds held in US dollars are subject to fluctuations in foreign exchange rates.

At March 31, 2020, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase or decrease of \$4,778 in the Company's net loss.

Fair Values

The carrying values of cash, deposits and other receivables and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and development of exploration and evaluation properties in the United States and Canada. The following table shows the geographic breakdown of the Company's non-current assets:

	March 31, 2020		
	Canada	USA	Total
Mineral properties	\$ 868,743	\$ 543,316	\$ 1,412,059

	December 31, 2019		
	Canada	USA	Total
Mineral properties	\$ 868,743	\$ 504,271	\$ 1,373,014