

EUROSUN

MINING

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019**

(Expressed in United States Dollars)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

EURO SUN MINING INC.

Consolidated statements of financial position
(Expressed in United States dollars)
(unaudited)

As at:	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 966,039	\$ 1,499,857
Restricted deposits	21,146	23,098
Prepaid expenses and sundry receivables	120,382	349,244
	\$ 1,107,567	\$ 1,872,199
Assets held for sale (Note 5)	471,529	261,896
	\$ 1,579,096	\$ 2,134,095
Non-current assets		
Property, plant and equipment (Note 3)	677,522	702,513
Deposits (Note 11)	76,585	76,585
Total assets	\$ 2,333,203	\$ 2,913,193
Liabilities		
Current liabilities		
Trade and other payables	\$ 377,053	\$ 1,996,929
Deferred share unit liability (Note 6)	765,947	1,238,427
Loans payable (Note 12)	-	76,994
Current lease liability (Note 11)	74,512	89,315
	\$ 1,217,512	\$ 3,401,665
Liabilities held for sale (Note 5)	1,306,849	705,809
Total current liabilities	\$ 2,524,361	\$ 4,107,474
Non-current lease liability (Note 11)	119,720	171,360
Total liabilities	\$ 2,644,081	\$ 4,278,834
Equity (deficiency) attributable to shareholders		
Share capital (Note 7 (b))	222,251,979	219,767,486
Contributed surplus (Note 7 (c))	4,283,608	4,134,234
Warrants (Note 7 (d))	1,093,776	1,093,776
Accumulated deficit	(226,643,095)	(225,426,797)
Accumulated other comprehensive loss	(1,176,995)	(692,465)
Total shareholders' (deficiency) equity	\$ (190,727)	\$ (1,123,766)
Non-controlling interest (Note 5)	(120,151)	(241,875)
Total (deficiency) equity	(310,878)	(1,365,641)
Total liabilities and shareholders' (deficiency) equity	\$ 2,333,203	\$ 2,913,193

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 8 and Note 10)

Approved by the Board of Directors on May 12, 2020:

"David Danziger", Director

"Bruce Humphrey", Director

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

EURO SUN MINING INC.

Consolidated statements of loss and comprehensive loss
(Expressed in United States dollars)
(unaudited)

	Three months ended March 31, 2020	Three months ended March 31, 2019
Expenses		
Consulting and management fees (Note 9)	\$ 294,146	\$ 336,933
Professional fees	27,461	38,860
General office expenses	51,613	40,083
Travel expenses	28,818	28,153
Shareholder communications and filing fees	81,611	235,905
Share-based compensation (Note 6, 7 (c) and 9)	(243,944)	304,001
Exploration and evaluation expenditures (Note 8)	986,870	832,416
Gain on foreign exchange	(305,302)	8,628
Interest income	-	(227)
Interest expense	5,842	6,933
Net loss for the period from continuing operations	\$ (927,115)	\$ (1,831,685)
Loss from discontinued operations (Note 5)	289,183	29,561
Net loss for the period	\$ (1,216,298)	\$ (1,861,246)
Other comprehensive income (loss)		
Cumulative translation adjustments	(484,530)	33,667
Other comprehensive income (loss) for the period	\$ (484,530)	\$ 33,667
Net comprehensive loss for the period	\$ (1,700,828)	\$ (1,827,579)
Net loss and comprehensive loss attributable to:		
Shareholders of Euro Sun	\$ (1,822,552)	\$ -
Non-controlling interest	121,724	-
	\$ (1,700,828)	\$ -
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Basic and diluted loss per share from discontinued operations	\$ -	\$ -
Basic and diluted loss per share	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	108,409,842	62,575,461

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

EURO SUN MINING INC.

Consolidated statements of changes in shareholders' (deficiency) equity (Expressed in United States dollars) (unaudited)

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Non-controlling interest	Shareholders' (deficiency) equity
Balance, December 31, 2018	\$ 212,605,103	\$ 2,205,265	\$ 4,421,452	\$ (217,647,546)	\$ (707,852)	\$ -	\$ 876,422
Adjustment on initial application of IFRS 16 (Note 2)	-	-	-	(22,798)	-	-	(22,798)
Adjusted balance, January 1, 2019	212,605,103	2,205,265	4,421,452	(217,670,344)	(707,852)	-	853,624
Private placement (Note 7 (b))	1,988,808	252,192	-	-	-	-	2,241,000
Share issuance costs (Note 7 (b))	(73,024)	-	-	-	-	-	(73,024)
Stock option grant (Note 7 (c))	-	-	215,134	-	-	-	215,134
Stock option expiry (Note 7 (c))	-	-	(337,291)	337,291	-	-	-
Net loss and comprehensive loss	-	-	-	(1,861,246)	33,667	-	(1,827,579)
Balance, March 31, 2019	\$ 214,520,887	\$ 2,457,457	\$ 4,299,295	\$ (219,194,299)	\$ (674,185)	\$ -	\$ 1,409,155
Balance, December 31, 2019	\$ 219,767,486	\$ 1,093,776	\$ 4,134,234	\$ (225,426,797)	\$ (692,465)	\$ (241,875)	\$ (1,365,641)
Private placement (Note 7 (b))	2,504,040	-	-	-	-	-	2,504,040
Share issuance costs (Note 7 (b))	(19,547)	-	-	-	-	-	(19,547)
Stock option grant (Note 7 (c))	-	-	149,374	-	-	-	149,374
Net loss and comprehensive loss	-	-	-	(1,216,298)	(484,530)	121,724	(1,579,104)
Balance, March 31, 2020	\$ 222,251,979	\$ 1,093,776	\$ 4,283,608	\$ (226,643,095)	\$ (1,176,995)	\$ (120,151)	\$ (310,878)

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

EURO SUN MINING INC.

Consolidated statements of cash flows
(Expressed in United States dollars)
(unaudited)

	Three months ended March 31, 2020	Three months ended March 31, 2019
Cash flows from operating activities		
Loss and comprehensive loss for the period	\$ (1,700,828)	\$ (1,827,579)
Adjustment for:		
Depreciation and amortization (Note 3)	50,310	56,905
Interest income	-	(227)
Deferred share units (Note 6)	(393,318)	304,001
Stock options granted (Note 7 (c))	149,374	-
	\$ (1,894,462)	\$ (1,466,900)
Prepaid expenses, sundry receivables and restricted deposits	228,862	(500,904)
Trade and other payables	(1,699,038)	259,902
Net cash used in operating activities from continuing operations	\$ (3,364,638)	\$ (1,707,902)
Net cash provided by operating activities from discontinued operations	513,131	29,561
Net cash used in operating activities	\$ (2,851,507)	\$ (1,678,341)
Cash flows from investing activities		
Interest income	-	227
Acquisition of property, plant and equipment (Note 3)	(25,319)	(29,530)
Investment in associate (Note 6)	-	-
Net cash used in investing activities	\$ (25,319)	\$ (29,303)
Cash flows from financing activities		
Proceeds from private placement (Note 7 (b))	2,504,040	2,241,000
Share issuance costs (Note 7 (b))	(19,547)	(73,024)
Warrant exercise (Note 7 (d))	-	-
Payment of principal portion of lease liability (Note 11)	(21,808)	(20,253)
Loans proceeds (Note 12)	-	-
Loans repayment	(76,994)	-
Net cash provided by financing activities	\$ 2,385,691	\$ 2,147,723
Effect of exchange rate changes on cash and cash equivalents	\$ (42,683)	\$ (16,741)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(533,818)	423,338
CASH AND CASH EQUIVALENTS, beginning of period	\$ 1,499,857	\$ 460,704
CASH AND CASH EQUIVALENTS, end of period	\$ 966,039	\$ 884,042
Supplemental cash flow information:		
Right of use asset (Note 3)	\$ -	\$ 334,946

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the "Company"), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project ("RVP") located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange ("TSX") under the symbol "ESM". The address of its registered office is 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

These unaudited condensed consolidated interim financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the three months ended March 31, 2020, the Company incurred a net loss of \$1,216,298 and as at March 31, 2020, reported an accumulated deficit of \$226,643,095 and a negative working capital of \$109,945 including \$966,039 in cash and cash equivalents. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast substantial doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

2. Basis of presentation

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These statements are condensed and do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2019.

These condensed consolidated interim financial statements were approved by the Board of Directors on May 12, 2020.

Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention, unless otherwise disclosed. The condensed consolidated interim financial statements have been prepared on an accrual basis except for cash flow information.

The functional currency of Euro Sun Mining Inc. is the Canadian dollar. The functional currency of Vilhelmina Minerals Inc., Vilhelmina Mineral AB and Joma Gruver AS is the Canadian dollar. The functional currency of SAMAX Romania Limited and SAMAX Romania S.R.L. is the U.S. dollar.

Basis of presentation

The condensed consolidated interim financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company's financial statements consolidate its subsidiaries which comprise the following at March 31, 2020:

Name of entity	Country of incorporation	Ownership
SAMAX Romania Limited	Cyprus	100%
SAMAX Romania S.R.L.	Romania	100%
Vilhelmina Mineral AB	Sweden	46.9%
Joma Gruver AS	Norway	23.5%

On October 10, 2019, the Company purchased all outstanding shares of Vilhelmina Minerals Inc., increasing its ownership of Vilhelmina Mineral Inc. from 34.1% to 100%. Vilhelmina Minerals Inc. has a 46.86% ownership in Vilhelmina Mineral AB and a 23.5% ownership in Joma Gruver AS. Mr. Scott Moore, an officer and director of the Company, is a director of Vilhelmina Mineral AB.

In January 2020, the Company amalgamated Vilhelmina Minerals Inc. with the Company.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

2. Basis of presentation (continued)

Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2019, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2020.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. These amendments did not have a significant impact on the condensed consolidated interim financial statements.

3. Property, plant and equipment

	Building in Progress	Leasehold improvements	Machinery, equipment & vehicles	Right of use asset	Total
Cost:					
Balance, December 31, 2018	\$ 53,349	\$ 401,236	\$ 158,288	\$ -	\$ 612,873
Additions	49,081	1,097	15,496	-	65,674
Adoption of IFRS 16 (Note 2)	-	-	-	331,946	331,946
Balance, December 31, 2019	\$ 102,430	\$ 402,333	\$ 173,784	\$ 331,946	\$ 1,010,493
Additions	-	462	24,857	-	25,319
Balance, March 31, 2020	\$ 102,430	\$ 402,795	\$ 198,641	\$ 331,946	\$ 1,035,812
Depreciation:					
At December 31, 2018	\$ -	\$ 59,348	\$ 39,920	\$ -	\$ 99,268
Depreciation charge for the year	-	74,964	43,217	90,531	208,712
Balance, December 31, 2019	\$ -	\$ 134,312	\$ 83,137	\$ 90,531	\$ 307,980
Depreciation charge for the period	-	18,603	9,074	22,633	50,310
Balance, March 31, 2020	\$ -	\$ 152,915	\$ 92,211	\$ 113,164	\$ 358,290
Net book value:					
At December 31, 2019	\$ 102,430	\$ 268,021	\$ 90,647	\$ 241,415	\$ 702,513
At March 31, 2020	\$ 102,430	\$ 249,880	\$ 106,430	\$ 218,782	\$ 677,522

As at March 31, 2020, the carrying value of property, plant and equipment is comprised of \$nil in Canada (December 31, 2019 – \$nil) and \$677,522 in Romania (December 31, 2019 - \$702,513).

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

4. Acquisition of Vilhelmina Minerals Inc.

On September 26, 2017, the Company purchased 600,000 common shares of Vilhelmina Minerals Inc., a private company incorporated in Canada engaged in the exploration and development of metals, for CAD\$600,000 (\$483,420). In April 2018, the Company purchased an additional 600,000 common shares of Vilhelmina Minerals Inc. for CAD\$600,000 (\$476,430), and in December 2018, the Company purchased 74,000 common shares of Vilhelmina Minerals Inc. for CAD\$74,000 (\$54,244), increasing its ownership interest in Vilhelmina Minerals Inc. to 36.3% as at December 31, 2018 (2017 - 33%). Vilhelmina Minerals Inc. issued 220,000 shares in Q1 2019, decreasing the Company's ownership interest in Vilhelmina Minerals Inc. to 34.14% at the time of the transaction. Vilhelmina Minerals Inc. currently holds a 46.9% ownership interest in Vilhelmina Mineral AB ("Vilhelmina"), a private company which owns an interest in exploration and evaluation properties in Sweden and Norway. Vilhelmina Minerals Inc. has a contractual right to appoint three of the five directors of Vilhelmina. Vilhelmina is located in Sweden, and Mr. Scott Moore, an officer and director of the Company, is a director of Vilhelmina. Vilhelmina currently holds a 50% interest in Joma Gruver AS, a private company which holds an interest in exploration and evaluation properties in Norway, with an option to increase its ownership.

On October 10, 2019, the Company acquired all of the issued and outstanding shares of Vilhelmina Minerals Inc. The Company acquired 2,457,230 common shares of Vilhelmina Minerals Inc. from other existing shareholders of Vilhelmina Minerals Inc. for a total purchase price of 9,088,235 common shares of the Company issued from treasury, making Vilhelmina Minerals Inc. a wholly owned subsidiary of the Company.

Purchase price consideration

The acquisition is being treated as an asset acquisition for accounting purposes as Vilhelmina Minerals Inc. does not meet the definition of a business under IFRS.

Purchase price	
Share consideration, based on the quoted market value of the shares issued	\$ 1,948,358
Original purchase price of existing Vilhelmina Minerals Inc. shares prior to acquisition	709,248
Total purchase price	\$ 2,657,606

Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	\$ 118,049
Prepaid and sundry receivables	50,875
Accounts payable	(336,567)
Non controlling interest	80,701
Exploration property acquisition cost	2,744,548
Total	\$ 2,657,606

Prior to acquiring all issued and outstanding shares of Vilhelmina Minerals Inc., Vilhelmina Minerals Inc. had been accounted for as an investment in associate using the equity method. The Company recorded a loss from investment in associate of \$29,561 related to its investment in Vilhelmina Minerals Inc. for the three months ended March 31, 2019.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

4. Acquisition of Vilhelmina Minerals Inc. (continued)

On January 1, 2020, Vilhelmina Minerals Inc. and Euro Sun were amalgamated, effectively, resulting in Vilhelmina Minerals Inc.'s investment in Vilhelmina Mineral AB being transferred to the Company. In March 2020, the Company entered into an agreement to sell its investment in Vilhelmina Mineral AB and therefore, Vilhelmina Mineral AB was recorded as assets and liabilities held for sale as at March 31, 2020.

5. Discontinued operations

On March 9, 2020, the Company entered into an agreement to sell its interest in Vilhelmina Mineral AB to Nickel Mountain Resources AB ("Nickel Mountain") for share consideration of 11 shares of Nickel Mountain for each one share of Vilhelmina Mineral AB owned by the Company (the "Transaction"). As a result of management's assessment of conditions existing at March 31, 2020, the Company's investment in Vilhelmina Minerals AB has been classified as assets and liabilities held for a sale and discontinued operations on the consolidated statement of financial position and the consolidated statement of loss and comprehensive loss for the three months ended March 31, 2020.

The Transaction requires the approval at an extraordinary general meeting of Nickel Mountain and has not closed as at the date of filing the financial statements. On closing of the transaction, the Company is expected to own approximately 37.6% of Nickel Mountain.

The following assets and liabilities of Vilhelmina Minerals AB have been included in the asset and liabilities held for sale on the consolidated statement of financial position as at March 31, 2020:

	March 31, 2020	December 31, 2019
Assets		
Cash	\$ 413,089	\$ 190,696
Amounts receivable	58,439	71,200
	\$ 471,528	\$ 261,896
Liabilities		
Accounts payable and accrued liabilities	\$ 755,957	\$ 705,809
Loan payable	550,892	-
	\$ 1,306,849	\$ 705,809
Non-controlling interest		
Non-controlling interest	\$ (120,151)	\$ (241,875)
	\$ (120,151)	\$ (241,875)

The operating results related to Vilhelmina Minerals AB have been included in discontinued operations in the consolidated statement of loss and comprehensive loss and are comprised of the following costs for the three months ended March 31, 2020 and 2019:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Exploration and evaluation expenditures	\$ 439,598	\$ -
General office expenses	1,389	-
Loss from investment in associate	-	29,561
Foreign exchange gain	(151,804)	-
Loss and comprehensive loss from discontinued operations	\$ 289,183	\$ 29,561

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

6. Deferred share units

Effective January 21, 2010, the Company established a Deferred Share Unit (“DSU”) Plan for directors or officers of the Company or any affiliate thereof (“Eligible Person”). A DSU is a unit equivalent in value to one common share of the Company based on the five-day average trading price of the Company’s common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. The DSU liability is based on the quoted market value of the Company’s shares at the date of the consolidated statement of financial position.

The following transactions occurred during the periods noted below:

Number of DSUs outstanding, December 31, 2018	3,351,259
Granted	3,870,000
Paid out	(123,333)
Forfeited	(61,667)
Number of DSUs outstanding, December 31, 2019 and March 31, 2020	7,036,259
Granted	
Paid out	
Forfeited	
Number of DSUs outstanding, March 31, 2020	7,036,259
	March 31, December 31,
	2020 2019
DSU Liability	\$ 765,947 \$ 1,238,427

In January 2018, 3,855,000 DSUs were granted with one third vesting immediately, one third vesting in one year from the grant date, and one third vesting two years from the grant date.

In April 2019, 3,870,000 DSUs were granted, with one third vesting immediately, one third vesting in one year from the grant date, and one third vesting in two years from the grant date.

As at March 31, 2020, 4,456,259 of the outstanding DSUs had vested.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

7. Share capital

- (a) Authorized
Unlimited number of common shares, without par value.
Unlimited number of preference shares, without par value.
- (b) Issued common shares

	Number of common shares	Stated value
Balance, December 31, 2018	61,908,794	\$ 212,605,103
Common shares issued in private placement (i)	28,710,000	5,428,924
Share issuance costs (ii)	-	(510,651)
Warrant exercise	700,000	260,445
Value allocation on warrant exercise	-	35,307
Vihelmina acquisition	9,088,235	1,948,358
Balance, December 31, 2019	100,407,029	\$ 219,767,486
Common shares issued in private placement (ii)	11,379,000	2,504,040
Share issuance costs (ii)	-	(19,547)
Balance, March 31, 2020	111,786,029	\$ 222,251,979

(i) On November 8, 2018, the Company closed a non-brokered private placement financing of 4,333,333 common shares at a price of CAD\$0.60 per share for gross proceeds of \$2,000,000 (CAD\$2,619,200).

(ii) On March 26, 2019, the Company closed a non-brokered private placement financing of 10,000,000 units at a price of CAD\$0.30 per unit for gross proceeds of \$2,241,000 (CAD\$3,000,000). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of CAD\$0.50 for a period of two years from the grant date. The warrants were valued at \$252,192 (CAD\$337,606). The Company paid commissions and other expenses of \$84,749 (CAD\$113,452) in relation to this private placement. Directors and officers participated and acquired a total of 550,000 units of this private placement for gross proceeds of \$123,255 (CAD\$165,000).

On July 4, 2019, the Company closed a brokered private placement financing of 8,610,000 units at a price of CAD\$0.36 per unit for gross proceeds of \$2,373,674 (CAD\$3,099,600). Each unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of CAD\$0.47 for a period of two years from the grant date. The warrants were valued at \$581,184 (CAD\$758,922). The Company also granted 602,600 finder warrants exercisable to acquire one common share at a price of CAD\$0.47 for a period of two years from the grant date. The finder warrants were valued at \$40,194 (CAD\$52,480) and were included in share issuance costs. The Company paid commissions and other expenses of \$502,523 (CAD\$380,874) in relation to this private placement.

On December 2, 2019, the Company closed its first tranche of a non-brokered private placement financing of 8,000,000 units at a price of CAD\$0.25 per unit for gross proceeds of \$1,504,000 (CAD\$2,000,000). Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of CAD\$0.40 for a period of two years from the grant date. The warrants were valued at CAD\$0.06. The Company also granted 14,000 finder warrants to certain finders exercisable to acquire one common share at a price of CAD\$0.40 for a period of two years from the grant date. The finder warrants were valued at CAD\$0.06 and were included in share issuance costs. The Company paid commissions and other expenses of \$2,632 (CAD\$3,500) in relation to this private placement. A director participated and acquired a total of 300,000 units of this private placement for proceeds of \$56,400 (CAD\$75,000).

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements

For the three months ended March 31, 2020 and 2019

(Expressed in United States Dollars)

7. Share capital (continued)

On December 12, 2019, the Company closed its second tranche of a non-brokered private placement financing of 2,100,000 units at a price of CAD\$0.25 per unit for gross proceeds of \$398,265 (CAD\$525,000). Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of CAD\$0.40 for a period of two years from the grant date. The warrants were valued at CAD\$0.06. The Company also granted 7,000 finder warrants to certain finders exercisable to acquire one common share at a price of CAD\$0.40 for a period of two years from the grant date. The finder warrants were valued at CAD\$0.06 and were included in share issuance costs. The Company paid commissions and other expenses of \$1,328 (CAD\$1,750) in relation to this private placement.

On January 30, 2020, the Company closed a non-brokered private placement financing of 11,379,310 shares at a price of CAD\$0.29 per share for gross proceeds of \$2,504,040 (CAD\$3,300,000). The Company paid commissions and other expenses of \$19,547 (CAD\$25,888) in relation to this private placement.

(c) Stock options

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2018	4,698,324	\$ 1.36
Granted	5,290,000	0.51
Expired	(1,402,995)	1.36
Balance, December 31, 2019	8,585,329	\$ 0.73
Granted	1,000,000	0.30
Balance, March 31, 2020	9,585,329	\$ 0.72

As at March 31, 2020, stock options held by directors, officers, employees and consultants are as follows:

Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Date of expiry	Remaining contractual life in years
3,320,064	3,320,064	\$ 3,159,997	\$ 1.36	June 13, 2021	1.20
275,265	275,265	211,634	1.36	September 30, 2021	1.50
1,500,000	1,500,000	110,004	0.33	March 14, 2021	0.95
500,000	500,000	105,130	0.46	March 28, 2024	3.99
840,000	840,000	243,985	0.73	April 5, 2024	4.02
1,850,000	1,850,000	252,669	0.28	October 15, 2024	4.55
300,000	300,000	50,815	0.33	November 7, 2024	4.61
1,000,000	1,000,000	149,374	0.30	January 5, 2025	4.77
9,585,329	9,585,329	\$ 4,283,608			1.17

During the three months ended March 31, 2020, the Company granted 1,000,000 stock options, respectively (2,000,000 stock options granted for the three months ended March 31, 2019) and options vested with a total value \$149,374 (\$215,134 for the three months ended March 31, 2019).

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

7. Share capital (continued)

The weighted average grant date fair value of options granted during the three months ended March 31, 2020 was measured using the Black-Scholes option pricing model. The following inputs were used in the measurement of fair values at grant date: expected dividend yield of 0%, expected volatility of 83% based on the Company's historical volatility, weighted average risk-free interest rate of 1.58%, share price of CAD\$0.30 and a weighted average expected life of 5 years. The weighted average grant-date fair value of options granted during the three months ended March 31, 2020 was CAD\$0.19 per option. The options granted by the Company vested immediately on the date of grant.

(d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)
Balance, December 31, 2018	3,932,425	\$ 2.18
Warrants issued in private placements	18,660,000	\$ 0.46
Finder warrants	623,700	\$ 0.47
Exercised	(700,000)	\$ 0.50
Expired	(3,932,425)	0.85
Balance, December 31, 2019 and March 31, 2020	18,583,700	\$ 0.46

At March 31, 2020, outstanding warrants to acquire common shares of the Company were as follows:

Number of warrants outstanding	Grant date fair value	Weighted average exercise price (CAD)	Expiry date
4,300,000	\$ 216,883	\$ 0.50	March 26, 2021
8,610,000	581,186	\$ 0.47	July 4, 2021
602,700	40,194	\$ 0.47	July 4, 2021
4,000,000	200,928	\$ 0.40	December 2, 2021
14,000	579	\$ 0.40	December 2, 2021
1,050,000	53,710	\$ 0.40	December 12, 2021
7,000	296	\$ 0.40	December 12, 2021
18,583,700	\$ 1,093,776	\$ 0.46	

On March 26, 2019, the Company issued 5,000,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.50 until March 26, 2021. The grant date fair value of these warrants of \$252,192 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 78% based on the Company's historical volatility, share price of CAD\$0.47 risk-free rate of 1.46%, and expected life of two years.

On July 4, 2019, the Company issued 8,610,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.47 until July 4, 2021. The grant date fair value of these warrants of \$581,184 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.27, risk-free rate of 1.58%, and expected life of two years.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements

For the three months ended March 31, 2020 and 2019

(Expressed in United States Dollars)

7. Share capital (continued)

On July 4, 2019, the Company issued 602,700 finder's warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.47 until July 4, 2021. The fair value of these warrants of \$40,196 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.27, risk-free rate of 1.58%, and expected life of two years.

On December 2, 2019, the Company issued 4,000,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.40 until December 2, 2021. The grant date fair value of these warrants of CAD\$0.06 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.19, risk-free rate of 1.67%, and expected life of two years.

On December 2, 2019, the Company issued 14,000 finder's warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.40 until December 2, 2021. The fair value of these warrants of \$0.06 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.22, risk-free rate of 1.67%, and expected life of two years.

On December 12, 2019, the Company issued 1,050,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.40 until December 12, 2021. The grant date fair value of these warrants of \$0.06 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.19, risk-free rate of 1.67%, and expected life of two years.

On December 12, 2019, the Company issued 7,000 finder's warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.40 until December 12, 2021. The fair value of these warrants of \$0.06 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 87% based on the Company's historical volatility, share price of CAD\$0.22, risk-free rate of 1.67%, and expected life of two years.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

8. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the years presented were as follows:

	Three months March 31, 2020	Three months March 31, 2019
Consulting and technical	\$ 552,682	\$ 597,774
Surface rights	9,938	10,576
Environmental studies	42,160	3,045
Other exploration costs	7,376	36,335
Metallurgical testing	-	34,552
Field office support and administration	82,848	141,712
Professional fees	32,950	5,916
Travel	31,027	2,506
Licence fees	227,889	-
	\$ 986,870	\$ 832,416

The Company owns 100% of the Rovina Valley Project in Romania; mining license number 18174/2015 which is held through its subsidiary SAMAX Romania S.R.L. The license will come into effect once it is ratified by the Romanian Government. Once ratified, the mining license is valid for 20 years, renewable for periods of five years until all the resources have been mined. The project carries a 6% (gold) and 5% (copper) net smelter return "NSR" royalty payable to the Romanian state once in production. As at March 31, 2020, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

9. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

Key management personnel compensation:

	ended March 31, 2020	ended March 31, 2019
Directors and officers compensation	\$ 344,115	\$ 325,754
Share-based payments	259,259	77,829
	\$ 603,374	\$ 403,583

As at March 31, 2020, the Company had \$21,149 (December 31, 2019 - \$281,112) in accounts payable owing to various officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

10. Commitments and contingencies

(a) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately \$4.3 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$2.9 million pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these condensed consolidated interim financial statements.

(b) Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(c) Novel Coronavirus

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements
For the three months ended March 31, 2020 and 2019
(Expressed in United States Dollars)

11. Lease liability

On August 29, 2017, the Company entered into a lease agreement for office space in Bucharest, Romania. The monthly rent payable under the terms of the lease is 7,815 Euros (\$9,617) plus applicable service charges. The rent payable is subject to an annual increase based on the percentage increase in the Euro Zone Monetary Union Index of Consumer Prices over the prior year assessed annually. Amounts unpaid when due are subject to interest of 0.2% per day from the due date until the date the payment is made. The lease is for fixed term of five years commencing August 2017. As at March 31, 2020 and December 31, 2019, the Company had paid a deposit equivalent to six months rent and services charges of \$76,585. The Company used a discount rate of 8.5% in determining the present value of the lease payments.

Lease liability as at January 1, 2019	\$	354,744
Interest expense		24,943
Lease payments		(105,246)
Effect of foreign exchange currency difference		(13,766)
Lease liability as at December 31, 2019	\$	260,675
Interest expense		4,216
Lease payments		(21,808)
Effect of foreign exchange currency difference		(48,851)
Lease liability as at March 31, 2020	\$	194,232

	March 31, 2020	December 31, 2019
Current lease liability	\$ 74,512	\$ 89,315
Non-current lease liability	119,720	171,360
	\$ 194,232	\$ 260,675

Future undiscounted minimum lease payments for this lease agreement are as follows:

	March 31, 2020	December 31, 2019
Within one year	\$ 99,138	100,972
After one year but not more than five years	148,706	176,701
More than five years	-	-
	\$ 247,844	\$ 277,673

EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements

For the three months ended March 31, 2020 and 2019

(Expressed in United States Dollars)

12. Loans payable

During the three months ended March 31, 2020, an officer and director of the Company extended loans in the amount of \$50,528 to the Company. These loans were unsecured, interest free, and had no fixed terms of repayment. These loans were repaid in full in July 2019.

On June 4, 2019, Forbes & Manhattan extended a loan in the amount of CAD\$70,000 (\$53,488) to the Company. The loan was unsecured, interest free, and had no fixed terms of repayment. This loan was repaid in full in July 2019.

On June 18, 2019, the Company entered into a loan agreement with Sulliden Mining Capital Inc. ("Sulliden") in the amount of \$86,000. The loan was unsecured, had an interest rate of 12% per annum and was due to be repaid no later than August 17, 2019. This loan was repaid in full in July 2019. Stan Bharti, a director of the Company, is also a director of Sulliden.

On October 30, 2019, the Company entered into a loan agreement with Sulliden in the amount of \$76,994 (CAD\$100,000). The loan is unsecured, has an interest rate of 12% per annum and is due to be repaid no later than April 30, 2020. Stan Bharti, a director of the Company, is also a director of Sulliden. The Company repaid the loan in full in January 2020.