

PINECREST RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Funds - Unaudited)

For the Three Months Ended March 31, 2020

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the period ended March 31, 2020.

Pinecrest Resources Ltd.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Funds - Unaudited)

	March 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	\$ 194,754	\$ 92,386
Short-term investment	61,000	432,000
GST and other receivables	889	1,346
Prepaid expenses	49,765	57,168
	<u>306,408</u>	<u>582,900</u>
Non-current assets		
Other assets	78,994	72,562
Exploration and evaluation assets (Note 4)	15,102,393	13,997,180
	<u>\$ 15,487,796</u>	<u>\$ 14,652,641</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables	\$ 39,854	\$ 286,244
Non-current liability		
Provision for bonus payment	112,457	112,457
	<u>152,311</u>	<u>398,701</u>
Shareholders' equity		
Share capital	11,815,767	11,681,023
Share-based payments reserve	1,703,507	1,738,250
Warrants reserve	2,460,252	2,460,252
Accumulated other comprehensive income	3,899,585	2,870,881
Accumulated deficit	(4,543,626)	(4,496,467)
	<u>15,335,484</u>	<u>14,253,941</u>
	<u>\$ 15,487,796</u>	<u>\$ 14,652,641</u>

Nature of operations and going concern (Note 1)

Subsequent event (Note 10)

On behalf of the Audit Committee:

“Douglas Forster” Director “Edward Farrauto” Director

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

Pinecrest Resources Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2020

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accum. deficit	Total
	Number	Amount					
Balance – January 1, 2019	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 3,402,724	\$ (4,225,812)	\$ 15,056,438
Foreign currency translation	-	-	-	-	(242,818)	-	(242,818)
Net loss for the period	-	-	-	-	-	(59,683)	(59,683)
Balance – March 31, 2019	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 3,159,907	\$ (4,285,495)	\$ 14,753,937

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accum. deficit	Total
	Number	Amount					
Balance – January 1, 2020	62,566,547	\$ 11,681,023	\$ 1,738,250	\$ 2,460,252	\$ 2,870,881	\$ (4,496,467)	\$ 14,253,941
Exercise of options	1,000,000	134,744	(34,744)	-	-	-	100,000
Foreign currency translation	-	-	-	-	1,028,704	-	1,028,704
Net loss for the period	-	-	-	-	-	(47,159)	(47,159)
Balance – March 31, 2020	63,566,547	\$ 11,815,767	\$ 1,703,507	\$ 2,460,252	\$ 3,899,585	\$ (4,543,626)	\$ 15,335,484

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

Pinecrest Resources Ltd.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (INCOME)**

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31

	2020	2019
EXPENSES		
Accounting and audit fees	\$ 8,396	\$ 7,531
Consultants	-	4,500
Foreign exchange loss (gain)	10,282	(14,441)
Insurance	7,935	6,905
Legal	370	584
Management fees	6,000	36,750
Office	5,318	7,159
Rent	-	3,827
Shareholder relations, marketing, and conferences	780	12,704
Transfer agent and regulatory fees	6,753	7,185
Travel	11,295	-
	57,129	72,704
OTHER INCOME		
Interest income	(9,970)	(13,021)
	Net loss for the period	\$ 47,159
	\$ 47,159	\$ 59,683
OTHER COMPREHENSIVE LOSS (INCOME)		
Items that will be reclassified subsequently to profit or loss:		
Foreign currency translation	(1,028,704)	242,818
	Comprehensive loss (income) for the period	\$ 302,501
	\$ (981,544)	\$ 302,501
	Loss per share – basic and diluted	\$ 0.00
	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding:		
Basic and fully diluted	62,786,327	62,566,547

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

Pinecrest Resources Ltd.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Funds - Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31

	2020	2019
CASH PROVIDED BY (USED IN):		
Cash flows from operating activities:		
Net loss for the period	\$ (47,159)	\$ (59,683)
Non-cash item:		
Unrealized foreign exchange	(3,056)	19,802
Changes in non-cash working capital:		
Trade and other receivables	459	(1,384)
Prepaid expenses	7,403	(15,932)
Trade and other payables	(248,884)	(13,320)
	<u>(291,237)</u>	<u>(70,516)</u>
Cash flows from investing activities:		
Redemption of short-term investment	371,000	54,436
Exploration and evaluation costs	(74,019)	(116,348)
	<u>296,981</u>	<u>(61,912)</u>
Cash flows from financing activities:		
Exercise of options	100,000	-
Effect of exchange rate on cash	(3,376)	(18,223)
	<u>102,368</u>	<u>(150,651)</u>
Increase (decrease) in cash	102,368	(150,651)
Cash – beginning of period	92,386	379,657
Cash – end of period	\$ 194,754	\$ 229,006
Supplemental disclosure on non-cash investing activities:		
Exploration and evaluation costs included in trade payables	\$ 2,490	\$ 3,024

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

Pinecrest Resources Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Pinecrest Resources Ltd. and its subsidiary (collectively, "Pinecrest or the "Company") engage principally in the acquisition, advancement and development of precious mineral properties, particularly its Enchi Gold Project in Ghana. Pinecrest Resources Ltd., the parent, was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on January 18, 2010. Pinecrest is a public company listed on the TSX Venture Exchange (the "Exchange") (TSX-V: PCR) and its head office is located at 413 – 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, V7X 1J1.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's continuing operations and the ability of the Company to meet its administrative and exploration expenditures are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. The Company has no source of revenue, is unable to self-finance operations, and has incurred operating losses since inception. As at March 31, 2020, the Company had a working capital of \$266,554 (December 31, 2019: \$296,656) and an accumulated deficit of \$4,543,626 (December 31, 2019: \$4,496,467).

Management is actively looking to advance the exploration program by seeking potential joint venture partners (see Note 7(b)). In addition, management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. There is no assurance that the Company will be able to obtain adequate financing or find joint venture partners to advance the Company's planned exploration programs. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information and footnotes required by the IFRS as issued by the International Accounting Standards Board for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019. The same accounting policies and methods of computation are used in the preparation of these unaudited condensed interim consolidated financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with IFRS for the interim periods presented.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Audit Committee on May 6, 2020.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. Significant areas where management judgment is applied in these financial statements include the impairment of exploration and evaluation assets and the valuation of options and warrants (which are based upon expected useful lives and other relevant assumptions).

Pinecrest Resources Ltd.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2020**4. EXPLORATION AND EVALUATION ASSETS**

	<u>2020</u>	<u>2019</u>
Acquisition costs		
Balance, beginning of period	\$ 8,356,926	\$ 8,356,926
Balance, end of period	\$ 8,356,926	\$ 8,356,926
Exploration and evaluation costs		
Balance, beginning of period	\$ 2,750,124	\$ 2,252,462
Camp costs	6,287	17,180
Drilling	1,023	2,629
Geological	15,298	89,099
General and administration	323	1,393
Mining permits and licenses	53,643	274,841
Professional fees	838	40,579
Salaries and wages	4,033	17,604
Travel and lodging	-	169
Vehicle rental	9,272	54,168
Balance, end of period	\$ 2,840,840	\$ 2,750,124
Foreign exchange impact	3,904,628	2,890,130
Total exploration and evaluation assets	\$ 15,102,393	\$ 13,997,180

5. SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

(a) Stock Options

During the period ended March 31, 2020, 1,000,000 stock options with an exercise price of \$0.10 per common share were exercised by directors of the Company for gross proceeds of \$100,000.

A summary of the Company's stock options as at March 31, 2020 is as follows:

Exercise price	January 1, 2020	Exercised	March 31, 2020	Expiry date	Remaining contractual life in years	Number of options vested
\$0.10	2,550,000	(1,000,000)	1,550,000	December 21, 2020	0.73	1,550,000
\$0.45	2,350,000	-	2,350,000	April 13, 2022	2.04	2,350,000
\$0.53	250,000	-	250,000	May 24, 2022	2.15	250,000
	5,150,000	(1,000,000)	4,150,000			4,150,000
	\$0.28	\$0.10	\$0.32	Weighted average exercise price		

Pinecrest Resources Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2020

6. RELATED PARTY TRANSACTIONS

(a) Trading transactions

During the period ending March 31, 2020, the Company paid or accrued \$nil (2019 - \$3,827) for office rent to a related company.

(b) Compensation of key management personnel

Key management personnel include directors and officers that provide management and consulting services to the Company. Remuneration of key management personnel during the period ended March 31 was as follows:

<u>Related Party</u>	<u>Relationship</u>	<u>2020</u>	<u>2019</u>
Gladstone Capital Ltd.	Chief Executive Officer	\$ -	\$ 18,750
Pacific Court Capital Corp.	Chief Financial Officer	6,000	9,000
Sail View Capital Ltd.	Director	-	9,000
		\$ 6,000	\$ 36,750

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial Instruments by Category

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Other receivables and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity or capacity of prompt liquidation. The carrying values of the Company's financial assets and financial liabilities are approximately equal to their fair values.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash is held as cash deposits which are available on demand to fund the Company's short-term financial obligations. As part of the recently obtained 3-year license renewals relating to the Enchi Gold Project, the Company has committed to exploration expenditures over the next 3 years as follows: 2020: US\$563,000; 2021: US\$779,000, and 2022: US\$2,085,000. In order to be able to meet these commitments the Company will need to raise funding through equity financing, debt financing or through finding joint venture partners as discussed in more detail in Note 1. The ability to do this may be impacted by the COVID 19 pandemic as discussed in Note 9.

(c) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its cash and short-term investment. The risk exposure is limited to their carrying values at the balance sheet date. Cash and short-term investments are held with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Concentration risk exists in cash and short-term investments because significant balances are maintained with one financial institution. The risk is mitigated because the instruments are maintained with a large Canadian financial institution.

Pinecrest Resources Ltd.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2020**7. FAIR VALUE OF FINANCIAL INSTRUMENTS – cont'd.**(d) Market Risks

The significant market risk to which the Company is exposed is interest rate risk. The Company's interest rate risk arises primarily from the interest earned on cash and short-term investment. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. The Company's short-term investments reflect funds invested in GIC's. Other financial assets and liabilities of the Company are not subject to interest rate risk since they do not bear interest.

8. SEGMENTED INFORMATION

The Company's business is the acquisition, exploration, evaluation, and development of mineral resource properties, which is currently conducted principally in Ghana. The Company is in the exploration stage and accordingly, has no reportable segment revenues for any of the periods presented in these condensed interim consolidated financial statements.

	March 31, 2020	December 31, 2019
<i>Canada</i>		
Total assets	\$ 237,670	\$ 516,310
Total liabilities	\$ 149,821	\$ 164,828
<i>Ghana</i>		
Total assets	\$ 15,250,126	\$ 14,136,331
Total liabilities	\$ 2,490	\$ 233,873

The following geographic data denotes net losses (income) based on their country of origin for the three months ended March 31:

	2020	2019
Canada	\$ 33,529	\$ 79,454
Ghana	13,630	(19,771)
Loss for the period	\$ 47,159	\$ 59,683

Pinecrest Resources Ltd.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Funds - Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2020

9. CORONAVIRUS (COVID-19)

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). We continue to operate our business and move our exploration plans forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including the duration and impact on our future exploration plans, cannot be reasonably estimated at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position and cash flows in 2020.

10. SUBSEQUENT EVENT

Subsequent to March 31, 2020, 750,000 stock options with an exercise price of \$0.10 per common share were exercised by directors of the Company for gross proceeds of \$75,000.