

INTERNATIONAL MILLENNIUM MINING CORP.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(Expressed in Canadian Dollars)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

Page

Statement of Compliance	3
Interim Condensed Consolidated Statements of Financial Position	4
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss	5
Interim Condensed Consolidated Statements of Changes in Equity	6
Interim Condensed Consolidated Statements of Cash Flows	7
Notes to the Interim Condensed Consolidated Financial Statements	8

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of International Millennium Mining Corp. for the three and six months ended June 30, 2020, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited interim condensed 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 interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

International Millennium Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	June 30, 2020 \$ (unaudited)	December 31, 2019 \$
Assets		
Current		
Cash	7	4,368
Amounts receivable	2,071	4,102
Total current assets	2,078	8,470
Non-current assets		
Exploration and evaluation assets (Note 5 and Schedule)	6,439,285	6,084,535
Total assets	6,441,363	6,093,005
Current		
Accounts payable and accrued liabilities (Note 8)	88,279	243,378
Current portion of convertible debentures (Note 6)	-	6,546
Due to related parties (Note 8)	12,154	104,939
Loan payable	-	2,790
Total current liabilities	100,433	357,653
Non-current liabilities		
Convertible debentures (Note 6)	171,854	105,094
Total liabilities	272,287	462,747
Shareholders' equity		
Share capital	19,869,002	19,551,012
Equity reserves	1,076,370	1,065,953
Accumulated other comprehensive income	1,481,369	1,180,496
Deficit	(16,257,665)	(16,167,203)
Total shareholders' equity	6,169,076	5,630,258
Total liabilities and shareholders' equity	6,441,363	6,093,005

Nature of operations (Note 1)

Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on August 31, 2020:

"John A. Versfelt" Director

" Robert Drago" Director

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

International Millennium Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS ON OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020 \$	2019 \$	2020 \$	2019 \$
Expenses				
Accounting and legal	17,550	14,800	42,800	16,800
Administration fees (Note 8)	-	18,000	9,000	36,000
Consulting fees	(5,500)	-	-	-
Depreciation	-	6,490	-	12,980
Directors' fees (Note 8)	6,750	9,750	6,750	16,500
Investor relations	-	(4,113)	-	4,794
Impairment of exploration and evaluation assets (Note 5 and Schedule)	-	-	-	-
Loss on foreign exchange	1,373	568	2,999	3,678
Office	3,790	20,148	7,064	27,205
Transfer agent and filing fees	12,676	34,130	13,397	35,850
Total expenses	36,639	99,773	82,010	153,807
Loss before other expense	(36,639)	(99,773)	(82,010)	(153,807)
Other expense				
Financing costs (Note 6)	(4,966)	(30,050)	(7,008)	(30,050)
Accretion expense (Note 6)	2,423	-	(1,444)	-
Total other expense	(2,543)	(30,050)	(8,452)	(30,050)
Net loss for the period	(39,182)	(129,823)	(90,462)	(183,857)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	(297,077)	-	300,873	-
Comprehensive income (loss) for the period	(336,259)	(129,823)	210,411	(183,857)
Loss per share, basic and diluted	-	-	-	-
Weighted average number of shares outstanding - basic and diluted	183,183,421	171,302,476	177,242,949	171,302,476

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

International Millennium Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS ON CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital		Equity reserves \$	Accumulated other comprehensive income \$	Deficit \$	Total \$
	Number of shares	Amount \$				
Balance, December 31, 2018	171,302,476	19,551,012	1,060,366	1,485,408	(15,660,906)	6,435,880
Net loss for the period	-	-	-	-	(183,857)	(183,857)
Balance, June 30, 2019	171,302,476	19,551,012	1,060,366	1,485,408	(15,844,763)	6,252,023
Balance, December 31, 2019	171,302,476	19,551,012	1,065,953	1,180,496	(16,167,203)	5,630,258
Shares issued for settlement of debt	15,899,500	317,990	-	-	-	317,990
Equity component of convertible debentures	-	-	10,417	-	-	10,417
Foreign currency translation adjustment	-	-	-	300,873	-	300,873
Net loss for the period	-	-	-	-	(90,462)	(90,462)
Balance, June 30, 2020	187,201,976	19,869,002	1,076,370	1,481,369	(16,257,665)	6,169,076

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

International Millennium Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(unaudited)

	For the six months ended June 30,	
	2020 \$	2019 \$
Operating activities		
Net loss for the period	(90,462)	(183,857)
Items not affecting cash:		
Accretion expense	1,444	-
Depreciation	-	12,980
Finance costs	7,008	-
Changes in non-cash working capital items:		
Amounts receivable	2,031	(7,799)
Prepaid expenses	-	(36,570)
Accounts payable and accrued liabilities	47,280	169,647
Due to/from related parties	7,215	-
Net cash used in operating activities	(25,484)	(45,599)
Investing activities		
Exploration and evaluation asset expenditures	(54,603)	(71,252)
Net cash used in investing activities	(54,603)	(71,252)
Financing activities		
Advances from convertible debentures	75,000	50,000
Repayments of loans payable	-	(1,500)
Proceeds from related party	-	57,385
Net cash provided by financing activities	75,000	105,885
Effects of foreign exchange rate changes on cash	726	-
Change in cash	(4,361)	(10,966)
Cash, beginning of period	4,368	15,347
Cash, end of period	7	4,381
Non-cash financing activities:		
Common shares issued for the settlement of accounts payable and accrued liabilities	215,190	-
Common shares issued for the settlement of loan payable	2,800	-
Common shares issued for the settlement of due to related parties	100,000	-

(The accompanying notes are an integral part of the condensed consolidated financial statements)

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

PERIOD ENDED JUNE 30, 2020 AND 2019

1. Nature of Operations

International Millennium Mining Corp. (the "Company" or "IMMC") is incorporated under the Business Corporations Act of British Columbia. The Company is listed on the TSX-Venture Exchange and its primary business is the acquisition, exploration, and evaluation of mineral properties in Canada (British Columbia and Ontario) and Nevada, USA. The address of the Company's registered office and its principal place of business is 20 Sixth Street, New Westminster, British Columbia, Canada, V3L 2Y8.

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2020, the Company has an accumulated deficit of \$16,257,665 and a working capital deficit of \$98,355. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

2. Statement of Compliance

These interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*", and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These condensed consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2019, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

PERIOD ENDED JUNE 30, 2020 AND 2019

3. Significant Accounting Policies

(a) Principles of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, International Millennium Mining Inc. ("IMMI"), a Nevada corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an investee, so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group until the date on which control ceases. All inter-company transactions and accounts have been eliminated on consolidation.

(b) Significant accounting estimates and judgments

The preparation of these interim condensed 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 to be reasonable under the circumstances.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- The analysis of the going concern assumption, which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- The determination of whether it is likely that future economic benefits from exploration and evaluation expenditures are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Estimates

- Recoverability of exploration and evaluation assets;
- Useful lives and recoverability of property and equipment;
- Fair value of convertible debentures;
- Fair value of share-based payments;
- Rehabilitation provisions; and
- Unrecognized deferred income tax assets.

4. Accounting Standards Issued But Not Yet Effective

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2020 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's interim condensed consolidated financial statements.

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

PERIOD ENDED JUNE 30, 2020 AND 2019

5. Exploration and Evaluation Assets

(a) Nevada Properties

(i) Silver Peak (Nivloc) Property, Esmeralda County

In September 2007, the Company established its interest in the Silver Peak (Nivloc) Property by acquiring 9 unpatented claims for US\$75,000 and 110,000 shares.

In February 2011, and amended May 22, 2012, the Company executed an Option and Joint Venture Agreement, with Silver Reserve Corp. ("SRC"), pursuant to which the Company acquired the right to purchase up to 85% interest in 18 unpatented lode claims (the "NL Extension Claims") contiguous with and surrounding the Company's existing Nivloc Mine property, Esmeralda County.

The Company acquired the interest in the NL Extension Claims by making cash payments of US\$350,000 and by issuing 1,925,000 shares over a period of five years as follows:

	Cash (US\$)	Common shares
Upon execution of Letter of Intent (paid)	5,000	-
Upon execution of Agreement (paid 2011)	5,000	-
Upon receipt of TSX Venture approval (paid and issued)	15,000	275,000
On or before September 15, 2011 (paid and issued)	35,000	300,000
On or before September 15, 2012 (paid and issued)	50,000	300,000
On or before September 15, 2013 (paid and issued)	70,000	350,000
On or before September 15, 2014 (paid and issued)	70,000	350,000
On or before September 15, 2015 (paid and issued)	100,000	350,000
	350,000	1,925,000

During fiscal 2011, an additional 95 contiguous claims (the "Additional Claims") were staked and recorded.

Following the Company's completion of a positive feasibility study, the Silver Peak (Nivloc) Property is to be developed on a joint venture basis where SRC has the right to contribute to the development of the 122 claim Silver Peak (Nivloc) Property and retain a 15% interest therein, provided that it contributes 15% of further exploration, development and mining expenditures. Failure by SRC to contribute 15% of the expenditures for further exploration, development and mining, will result in dilution of its interest. If SRC's interest is diluted to 10% or less, its interest in the Silver Peak (Nivloc) Property will revert to a 2% NSR Royalty.

On October 14, 2015, the Company made the final payment of US\$100,000 to SRC, thereby acquiring 85% undivided interest in the Silver Peak (Nivloc) Property. The Company registered this 85% undivided interest in the Silver Peak (Nivloc) Property with the US Bureau of Land Management (the "US BLM") and Esmeralda County, Nevada.

On January 7, 2016, the Company executed a Sale and Purchase Agreement, including an Option to Purchase Royalty Interest (the "Agreement"), to acquire SRC's remaining interests in the Silver Peak (Nivloc) Property (the "Transaction"). These interests include the following:

- (i) All rights, titles and interests owned by SRC in and to the remaining undivided 15% interest in and to the NL Extension Claims, and any and all licenses and permits pertaining thereto; and
- (ii) The sole and exclusive right and option to acquire a 15% interest in the 104 claims held by the Company (the "IMMC Claims").

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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PERIOD ENDED JUNE 30, 2020 AND 2019

5. Exploration and Evaluation Assets (continued)

(a) Nevada Properties (continued)

Pursuant to the Agreement, the Company will pay SRC US\$110,000 (the “Cash Consideration”) for the Silver Peak (Nivloc) Property interests detailed above (the “Silver Peak (Nivloc) Property Interests”), and SRC will retain a royalty interest of 2% of Net Smelter Returns from the NL Claims and the IMMC Claims (the “Royalty Interest”). SRC will transfer 100% of its interest, right and title in the Silver Peak (Nivloc) Property Interests to the Company. Final closing of the closing was on or before February 22, 2016 (the “Closing”). In the event that the Closing did not occur on February 22, 2016, at the discretion of SRC, the date of the Closing may be extended to March 22, 2016, upon the payment of an additional US\$10,000 as a component of the Cash Consideration, for total consideration of US\$120,000. On April 5, 2016, the Company made the final payment towards the Cash Consideration amount of US\$120,000, thereby acquiring and registering 100% interest in the 122 claims comprising the Silver Peak (Nivloc) Property, subject to the 2% Royalty Interest.

On December 22, 2016, the Company paid SRC US\$120,000 to acquire the 2% Royalty Interest, funded by Capital Mineral Resource Investments Limited (“CMRI”). As a condition of the funding the Company received from CMRI to purchase the Royalty Interest, 1% NSR of the Silver Peak (Nivloc) Property was transferred to CMRI. CMRI granted to the Company an exclusive option to purchase 100% of CMRI’s right, title and interest in the 1% Royalty Interest (the “Royalty Option”) for \$2,000,000 for a period of ten years from December 24, 2016 (or any portion or portions thereof on a pro rata purchase price) at any time and from time to time on or before December 24, 2026.

In April 2017, the Company staked forty-two lode claims, contiguous to the Silver Peak (Nivloc) Property, and acquired 8 unpatented lode claims contiguous thereto, all located in Esmeralda County, Nevada. The total cost was US\$62,700 and the issuance of 100,000 common shares of the Company.

In October 2017 (and amended on March 16, 2018), the Company executed Option Agreements with Silver Saddle Resources LLC (“Silver Saddle”) and Consent to Assignment Agreements between the Company, Silver Saddle and two underlying property owners (the “Silver Saddle Agreements”), to acquire 25 unpatented lode mineral claims located contiguous with the Company’s Silver Peak (Nivloc) Property (the “Silver Saddle Claims”) in Esmeralda County, Nevada.

Pursuant to the Silver Saddle Agreements, the Company shall acquire a 100% interest in the Silver Saddle Claims, subject to various net smelter return (“NSR”) royalties by making cash payments of US\$115,000 and by issuing 1,000,000 shares as follows:

	Cash (US\$)	Common shares
Upon execution of Letter of Intent (paid)	10,000	-
Upon receipt of TSX Venture approval (issued)	-	1,000,000
On or before December 31, 2017 (paid)	20,000	-
On or before March 29, 2018 (paid)	5,000	-
On or before June 30, 2018 (paid)	10,000	-
On or before March 29, 2019 (paid)	10,000	-
On or before April 30, 2019 (paid)	10,000	-
On or before March 29, 2020 (paid)	25,000	-
On or before May 15, 2020 (paid)	25,000	-
	115,000	1,000,000

The NSR royalties vary from 1.5% on eight of the claims, of which 1.25% NSR can be purchased for US\$190,000; 2.5% on seven of the claims, of which 1.25% NSR can be purchased for US\$110,000; and, 1.5% on ten of the claims, of which 0.5% NSR can be purchased for US\$500,000. In November 2017, the Company staked an additional 14 claims contiguous to the Company’s Silver Peak claims for US\$11,484.

The Company’s total land holdings in the Silver Peak project area include 211 claims covering in excess of 4,000 acres (1,600 hectares).

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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PERIOD ENDED JUNE 30, 2020 AND 2019

5. Exploration and Evaluation Assets (continued)

(a) Nevada Properties (continued)

(i) Silver Peak (Nivloc) Property, Esmeralda County (continued)

(ii) Simon Property

Pursuant to an Option Agreement executed in December 2004, and a Settlement Agreement, with the Estate of Nadean Bedford, announced in November 2010, the Company acquired, and holds in good standing, a 100% interest in the Simon Property, consisting of 20 patented and 3 unpatented contiguous claims. The Company also acquired by staking, and holds, a further 34 contiguous unpatented mining claims, which are in good standing. The monthly payments are US\$2,000. There are no underlying royalties. During the year ended December 31, 2019, the Company wrote off the carrying amount of the exploration and evaluation assets of \$40,658 (2018 - \$50,328) due to inactivity and no formal plans to work on the property. However, for strategic reasons, the Company intends to maintain the payment obligations noted above.

6. Convertible Debentures

- (a) On June 7, 2019, and August 30, 2019, the Company issued convertible debentures to a non-related party for proceeds of \$50,000 and \$60,000, respectively. Under the terms of the debentures, the amounts owing are unsecured, bear compound interest at 12% per annum, and are due on December 7, 2021, and March 2, 2022, respectively. The interest is payable semi-annually on the last day of June and December each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at the conversion rate applicable to the debenture.

The debentures are convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debentures.

The convertible debentures were recorded using the residual method, where the convertible debentures have been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debentures, was determined to be \$104,413 using a net present value calculation assuming a discount rate of 15% per annum. As a result, the value of the equity component of \$5,587 was recorded as equity and an equivalent discount on the convertible debentures which will be accreted to the face value of \$110,000 over the term of the debentures.

During the six months ended June 30, 2020, the Company recognized financing fees of \$6,564 (2019 - \$nil) and accretion expense of \$1,204 (2019 - \$nil), which adjusted the carrying value to \$107,030 (December 31, 2019 - \$111,640).

- (b) On June 12, 2020, the Company issued a convertible debenture to a company controlled by the Chief Executive Officer of the Company for proceeds of \$5,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

PERIOD ENDED JUNE 30, 2020 AND 2019

6. Convertible Debentures(continued)

- (b) The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debenture, was determined to be \$4,306 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$694 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$5,000 over the term of the debenture.

During the six months ended June 30, 2020, the Company recognized a financing fee of \$30 (2019 - \$nil) and accretion expense of \$16 (2019 - \$nil), which increased the carrying value to \$4,322 (December 31, 2019 - \$nil).

- (c) On June 12, 2020, the Company issued a convertible debenture to a non-related party for proceeds of \$20,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debenture, was determined to be \$17,222 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$2,778 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$20,000 over the term of the debenture.

During the six months ended June 30, 2020, the Company recognized a financing fee of \$118 (2019 - \$nil) and accretion expense of \$64 (2019 - \$nil), which increased the carrying value to \$17,286 (December 31, 2019 - \$nil).

- (d) On June 12, 2020, the Company issued a convertible debenture to a director of the Company for proceeds of \$50,000. Under the terms of the debenture, the amount owing is unsecured, bear simple interest at 12% per annum and due on June 12, 2022. The interest is payable semi-annually on the last day of December and June each year. The holder may choose whether to accept a cash payment for the interest payable or whether it should be accrued to the holder's account, in which the accrued interest would become convertible at a conversion price equal to the market price at the time of such conversion.

The debenture is convertible at \$0.05 per Conversion Unit for the first 12 months of the term of the debenture and at \$0.10 per Conversion Unit for the balance of the term. Each Conversion Unit consists of one common share and one share purchase warrant, with each share purchase warrant being exercisable at \$0.05 per share for the first 12 months of the term of the debenture or \$0.10 per share for the balance of the term of the debenture.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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PERIOD ENDED JUNE 30, 2020 AND 2019

6. Convertible Debentures(continued)

- (d) The convertible debenture was recorded using the residual method, where the convertible debenture has been bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debenture, was determined to be \$43,056 using a net present value calculation assuming a discount rate of 20% per annum. As a result, the value of the equity component of \$6,944 was recorded as equity and an equivalent discount on the convertible debenture which will be accreted to the face value of \$50,000 over the term of the debenture.

During the six months ended June 30, 2020, the Company recognized a financing fee of \$296 (2019 - \$nil) and accretion expense of \$160 (2019 - \$nil), which increased the carrying value to \$43,216 (December 31, 2019 - \$nil).

7. Share Capital

- (i) Authorized

Unlimited common shares without par value.

On April 23, 2020, the Company issued 15,899,500 common shares at \$0.02 per share to settle outstanding accounts payable and related party payables of \$317,990, including the issuance of 4,750,000 common shares to settle \$95,000 of debt owed to officers and directors of the Company, 5,000,000 common shares to settle \$100,000 of debt owed to a company with common officers, 1,000,000 common shares to settle debt \$20,000 of debt owed to a company controlled by the Chief Executive Officer, and 1,000,000 common shares to settle \$20,000 of debt owed to a company controlled by the former Chief Financial Officer.

- (ii) Stock options

The Company has a stock option plan for its directors, employees, and consultants to acquire common shares at a price to be determined by the fair market value of the shares at the date of the grant. The Company may issue up to 10% of the outstanding common shares under the plan. Options granted under the Plan will have a maximum term of five years. Options granted to persons providing investor relations activities will become vested with the right to exercise at one-quarter of the options upon conclusion of every three months subsequent to the date of the grant of the options.

	Number of options	Weighted average exercise price \$
Outstanding and exercisable, December 31, 2019 and June 30, 2020	9,750,000	0.05

Additional information regarding stock options as at June 30, 2020 is as follows:

Range of exercise prices \$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	9,750,000	2.02	0.05

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

PERIOD ENDED JUNE 30, 2020 AND 2019

7. Share Capital (continued)

(iii) Share Purchase Warrants

A summary of the changes in share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Outstanding, December 31, 2019 and June 30, 2020	37,077,400	0.05

As at June 30, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
37,077,400	0.05	June 29, 2021

8. Related Party Transactions

- (a) The Company shares office services with Cabo Drilling Corp. ("Cabo"), a company with a common director and officers, at a monthly cost of \$3,000 per month (2019 - \$8,000). This includes rent, utilities, general office costs and administration fees. As at June 30, 2020, \$14,473 (December 31, 2019 – \$83,289 due from Cabo) was due to Cabo. During the six months ended June 30, 2020, the Company incurred administration fees of \$9,000 (2019 – \$24,000) to Cabo. The amounts owed are unsecured, non-interest bearing, and due on demand.
- (b) As at June 30, 2020, the Company owes \$6,750 (December 31, 2019 - \$95,611) to directors and former directors of the Company, which is included in accounts payable and accrued liabilities. The amounts owing are unsecured, non-interest bearing, and due on demand. During the six months ended June 30, 2020, the Company incurred directors' fees of \$6,750 (2019 - \$16,500) to directors of the Company.
- (c) As at June 30, 2020, the Company owes \$11,811 (December 31, 2019 - \$21,000) to a company with common officers, which is included in due to related parties, accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.
- (d) As at June 30, 2020, the Company owes \$nil (December 31, 2019 - \$20,000) to the former Chief Financial Officer ("CFO") of the Company, which is included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

9. Financial Instruments and Risk Management

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, and currency risk.

(a) Fair values

The fair values of other financial instruments, which include cash, amounts receivable, accounts payable and accrued liabilities, loan payable, convertible debentures, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

PERIOD ENDED JUNE 30, 2020 AND 2019

9. Financial Instruments and Risk Management (continued)

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists primarily of GST receivable from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Interest rate risk

The Company is not exposed to interest rate risk because its loans payable bear interest at a fixed interest rate. Fluctuations in market rates do not have a significant impact on the Company's operations.

(d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. As at June 30, 2020, the Company had a working capital deficit of \$140,414 (December 31, 2019 – \$349,183). The Company manages this risk by evaluating current and expected liquidity requirements and seeking financing arrangements as necessary.

(e) Currency risk

The functional currency of the Company is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiary is the United States ("US") dollar. Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company operates in Canada and the US and a portion of the Company's expenditures are incurred in US dollars. A significant change in currency exchange rates between the Canadian and US currencies could have an effect on the Company's results of operations, financial position or cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at June 30, 2020, the Company has cash on deposit totaling US\$488 (December 31, 2019 - US\$2,847). Cash in United States dollars have been translated to Canadian dollars at a rate of Cdn\$1.3628 (December 31, 2019 – Cdn\$1.2988 per US dollar). The Company has limited US dollar financial assets and liabilities and any fluctuations in the US dollar would have an insignificant impact on the Company's interim condensed consolidated financial statements.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

International Millennium Mining Corp.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(unaudited)

PERIOD ENDED JUNE 30, 2020 AND 2019

10. Capital Management (continued)

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties, if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2019.

11. Segmented Information

The Company operates in one business segment, being the acquisition and exploration and evaluation of mineral assets. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the periods ended June 30, 2020 and December 31, 2019.

The Company's net assets are segmented geographically as follows:

June 30, 2020			
	Canada \$	United States \$	Total \$
Exploration and evaluation assets	-	6,439,285	6,439,285
	-	6,439,285	6,439,285

December 31, 2019			
	Canada \$	United States \$	Total \$
Exploration and evaluation assets	-	6,084,535	6,084,535
	-	6,084,535	6,084,535

12. Subsequent Events

- a) On July 14, 2020, the Company made the final option payment on twenty-five unpatented lode mineral claims optioned from Silver Saddle Resource LLC in 2017. As a result, the Company now owns a 100% interest in the entire claim group representing the Silver Peak property, subject only to net smelter return ("NSR") royalty agreements on certain claims.
- b) On August 28, 2020, the Company completed its non-brokered private placement for the issuance of 32,973,250 unit at \$0.02 per unit for proceeds of \$659,465. Each unit is comprised of one common share and one share purchase warrant where each share purchase warrant entitles the holder to purchase one additional common share of the Company at \$0.05 per share for a period of thirty six months from the closing date of the private placement. As part of the private placement, the Company paid finders fees of \$36,180 and issued 2,412,000 broker warrants, where each broker warrant is exercisable into one common share of the Company at \$0.05 per share for a period of thirty six months from the closing date of the private placement.

International Millennium Mining Corp.
CONSOLIDATED SCHEDULES OF EXPLORATION AND EVALUATION ASSETS
(Expressed in Canadian Dollars)

June 30, 2020

	Simon Property \$	Nivloc Property \$	TOTAL \$
Acquisition costs			
Balance, December 31, 2019	-	1,411,909	1,411,909
Option payments, cash	16,381	34,127	50,508
Foreign exchange translation	(27)	69,516	69,489
Balance, June 30, 2020	16,354	1,515,552	1,531,906
Deferred exploration expenditures			
Balance, December 31, 2019	132	4,672,494	4,672,626
Filing fees	422	4,095	4,517
Foreign exchange translation	-	230,236	230,236
Balance, June 30, 2020	554	4,906,825	4,907,379
	16,908	6,422,377	6,439,285

December 31, 2019

	Simon Property \$	Nivloc Property \$	TOTAL \$
Acquisition costs			
Balance, December 31, 2018	-	1,480,959	1,480,959
Option payments, cash	31,846	25,976	57,822
Foreign exchange translation	-	(95,026)	(95,026)
Balance, December 31, 2019	31,846	1,411,909	1,443,755
Deferred exploration expenditures			
Balance, December 31, 2018	-	4,849,287	4,849,287
Filing fees	8,944	48,639	57,583
Foreign exchange translation	-	(205,973)	(205,973)
Project management and geologists	-	24,365	24,365
Supplies and miscellaneous	-	7,793	7,793
Change in estimate of rehabilitation obligations	-	(51,617)	(51,617)
Balance, December 31, 2019	8,944	4,672,494	4,681,438
Impairment	(40,658)	-	(40,658)
	132	6,084,403	6,084,535