

**ROMIOS GOLD RESOURCES INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended June 30, 2020 and 2019  
(Expressed in Canadian \$)**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by and are the responsibility of the management of Romios Gold Resources Inc. (the "Company"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and reflect management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal controls in order to ensure, on a reasonable and cost-effective basis, the reliability of the financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibility and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee. The consolidated financial statements have been audited by Wasserman Ramsay, an independent firm of Chartered Professional Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

DATED this 28th day of September, 2020.

### ROMIOS GOLD RESOURCES INC.

Per: (signed) "Tom Drivas"  
Name: Tom Drivas  
Title: Chief Executive Officer

Per: (signed) "Frank van de Water"  
Name: Frank van de Water  
Title: Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Romios Gold Resources Inc.:

### Opinion

We have audited the consolidated financial statements of Romios Gold Resources Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2020 and 2019, and the consolidated statements of changes in equity, loss and comprehensive loss and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that for the year ended June 30, 2020 the Company incurred losses of \$2,247,045 and had an accumulated deficit of \$36,037,045 at year end. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS's, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the consolidated Financial Statements**

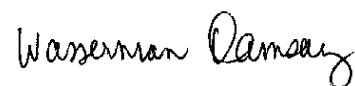
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Ramsay.



Markham, Ontario  
September 28, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**Romios Gold Resources Inc.**  
**Consolidated Statements of Financial Position**  
*(Expressed in Cdn \$)*

As at	June 30 2020 \$	June 30 2019 \$
<b>Assets</b>		
Current		
Cash and cash equivalents (note 4)	159,927	1,239,108
Accounts receivable	7,224	83,284
Marketable securities (note 5)	487,793	1,630,138
Prepaid expenses	14,590	30,652
<b>Total current assets</b>	<b>669,534</b>	<b>2,983,182</b>
<b>Exploration and evaluation assets</b> (note 6)		
Acquisition costs	2,219,935	2,213,055
Right of use assets (note 7)	46,994	-
<b>Total assets</b>	<b>2,936,463</b>	<b>5,196,237</b>
<b>Liabilities</b>		
Current		
Accounts payable & accruals	59,078	357,339
Current portion of lease obligations	17,649	-
Due to related parties (note 11)	741,402	682,338
<b>Total current liabilities</b>	<b>818,129</b>	<b>1,039,677</b>
Non-current liabilities		
Lease obligations (note 7)	34,271	-
<b>Total liabilities</b>	<b>852,400</b>	<b>1,039,677</b>
<i>Nature of operations and going concern (note 1)</i>		
<i>Subsequent events (note 14)</i>		
<b>Shareholders' equity</b>		
Share capital (note 8(a))	33,012,471	33,012,471
Warrants (note 8(c))	-	33,223
Contributed surplus (note 9)	5,108,637	4,900,886
Deficit	(36,037,045)	(33,790,020)
<b>Total shareholders' equity</b>	<b>2,084,063</b>	<b>4,156,560</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,936,463</b>	<b>5,196,237</b>

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

APPROVED ON BEHALF OF THE BOARD on September 28, 2020

"Signed"

Anastasios (Tom) Drivas

"Signed"

Frank van de Water

**Romios Gold Resources Inc.**  
**Consolidated Statements of Changes in Equity**  
*(Expressed in Cdn \$)*

	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total \$
<b>At June 30, 2018</b>	31,888,326	176,566	4,505,737	(32,168,003)	4,402,626
Net loss and comprehensive loss for the year	-	-	-	(1,622,017)	(1,622,017)
Working capital units issued, net	475,000	-	-	-	475,000
Flow-through shares issued, net	656,319	-	-	-	656,319
Valuation of warrants	(33,223)	33,223	-	-	-
Adjustment for expired warrants	-	(176,566)	176,566	-	-
Shares issued for properties, net	22,549	-	-	-	22,549
Broker's warrants exercised	3,500	-	-	-	3,500
Share-based compensation	-	-	218,583	-	218,583
<b>At June 30, 2019</b>	33,012,471	33,223	4,900,886	(33,790,020)	4,156,560
Net loss and comprehensive loss for the year	-	-	-	(2,247,025)	(2,247,025)
Adjustment for expired warrants	-	(33,223)	33,223	-	-
Share-based compensation	-	-	174,528	-	174,528
<b>At June 30, 2020</b>	33,012,471	-	5,108,637	(36,037,045)	2,084,063

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

**Romios Gold Resources Inc.**  
**Consolidated Statements of Loss, and Comprehensive Loss**  
*(Expressed in Cdn \$)*

	For the years ended June 30	
	2020	2019
	\$	\$
<b>Expenses</b>		
Operating activities		
Exploration expenses (Note 6)	851,192	991,560
Less: refund received (Note 6)	<b>(63,339)</b>	-
Net exploration expenses	<b>787,853</b>	991,560
Acquisition cost of properties dropped (Note 6)	<b>4,820</b>	1,945
Amortization of right of use assets (Note 7)	<b>18,797</b>	-
General and administrative activities:		
Professional fees	<b>101,796</b>	151,392
Management fees and salaries	<b>203,513</b>	215,325
Office and general	<b>34,478</b>	54,849
Shareholder communication	<b>45,560</b>	106,675
Share-based compensation	<b>174,528</b>	218,583
General and administrative expenses	<b>559,875</b>	746,824
Loss for the period before the following	<b>1,371,345</b>	1,740,329
Unrealized loss/(gain) on marketable securities (Note 5)	<b>865,954</b>	(85,105)
Realized losson marketable securities (Note 5)	<b>9,606</b>	-
Interest on lease obligations (Note 3)	<b>5,991</b>	-
Interest income	<b>(5,871)</b>	(7,207)
Deferred income tax	-	(26,000)
<b>Net loss and comprehensive loss for the year</b>	<b>2,247,025</b>	1,622,017
Basic and diluted loss per share	<b>0.01</b>	0.01
Weighted average number of shares outstanding	<b>198,397,000</b>	191,807,000

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

**Romios Gold Resources Inc.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in Cdn \$)*

	For the years ended June 30	
	2020	2019
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(2,247,025)	(1,622,017)
Items not affecting cash:		
Share-based compensation	174,528	218,583
Deferred income tax	-	(26,000)
Amortization of ROU assets (note 7)	18,797	-
Interest on lease obligations (note 3)	5,991	-
Unrealized loss on marketable securities (note 5)	865,954	(85,105)
Realized loss/(gain) on marketable securities (Note 5)	9,606	-
Acquisition cost of properties dropped (note 6)	4,820	1,945
	<b>(1,167,329)</b>	<b>(1,512,594)</b>
Net change in non-cash working capital		
Accounts receivable	76,060	(65,236)
Prepaid expenses	16,062	29,112
Accounts payable and accrued liabilities	(298,261)	330,123
Due to related parties	59,064	78,478
Net cash used in operating activities	<b>(1,314,404)</b>	<b>(1,140,117)</b>
<b>Investing activities</b>		
Property option cash proceeds	-	1,000,000
Exploration and evaluation assets acquisition costs	(11,700)	(29,362)
Net cash from investing activities	<b>(11,700)</b>	<b>970,638</b>
<b>Financing activities</b>		
Repayment of lease obligations	(19,862)	-
Marketable securities sale proceeds (note 5)	266,785	-
Private placement of working capital units	-	475,000
Private placement of flow-through units	-	744,750
Share issue costs	-	(64,882)
Warrants exercised	-	3,500
Net cash from financing activities	<b>246,923</b>	<b>1,158,368</b>
Change in cash and cash equivalents	<b>(1,079,181)</b>	<b>988,889</b>
Cash and cash equivalents, beginning of the year	<b>1,239,108</b>	<b>250,219</b>
<b>Cash and cash equivalents, end of the year</b>	<b>159,927</b>	<b>1,239,108</b>

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



## **ROMIOS GOLD RESOURCES INC.**

### ***Notes to Consolidated Financial Statements***

**June 30, 2020**

**(Expressed in Canadian dollars unless otherwise stated)**

#### **1. Nature of operations and going concern**

Romios Gold Resources Inc. ("Romios" or "the Company") is a listed public Company (TSX-V:"RG") incorporated under the Ontario Business Corporations Act and has interests in resource properties which are being explored and evaluated to determine their economic viability. The registered office and location of corporate records is Suite 500, 2 Toronto St., Toronto, Ontario.

These consolidated financial statements ("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 for the foreseeable future. As at June 30, 2020 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital deficiency of \$148,595 as at June 30, 2020, after providing for \$741,402 due to related parties, and has incurred losses since inception, including \$24,709,367 spent on exploration and evaluation of its mineral properties that it currently holds, resulting in an accumulated deficit of \$36,037,045 as at June 30, 2020. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption is not appropriate. If the "going concern" assumption is not appropriate, adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

#### **2. Basis of preparation and statement of compliance**

The Statements of the Company as at and for the year ended June 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of June 30, 2020.

#### **3. Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in the Statements.

##### **Principles of consolidation**

The Statements include the accounts of 100% owned McLymont Mines Inc., which holds the title to some of the claims in British Columbia and Romios Gold Nevada Inc. which holds the mining claims in Nevada. All inter-company accounts and transactions have been eliminated on consolidation.

##### **Presentation Currency**

The Company's presentation currency and functional currency is the Canadian dollar ("\$").

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## **Significant Accounting Judgments and Estimates**

The preparation of financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the Statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect on the Statements of changes in such estimates in future periods could be material. 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. The more significant estimates and judgments are as follows:

### *Critical accounting estimates*

The amounts recorded for share-based compensation transactions are based on estimates. The Black-Scholes model is based on subjective estimates of assumptions for expected volatility, expected number of options to vest, dividend rate, risk-free interest rate and expected life of the options.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition.

Management's opinion is that there is no material restoration, rehabilitation and environmental obligation based on the existing facts and circumstances.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of deferred income tax assets is adjusted to reflect the uncertainty of realization through profitable operations.

### *Critical accounting judgments*

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

## **Financial Instruments**

The Company adopted IFRS 9 as of July 1, 2018

### *Financial assets*

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

### *Financial assets at Fair-value through profit or loss*

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains and losses from assets held at FVPTL are included in losses in the period in which they arise.

#### *Financial assets at Fair-value through other comprehensive income*

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

#### *Financial assets at amortized cost*

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows comprise solely payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

#### *Financial liabilities*

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

The Company completed a detailed assessment of its financial instruments as of June 30, 2019. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	FVTPL	FVTPL
Trade and other payables	Other financial liabilities	Amortized cost

The adoption of this standard did not have a material impact on the Company's financial statements but resulted in certain additional disclosures. The carrying value and measurement of all financial instruments was unchanged as of June 30, 2019 as a result of the adoption of the new standard.

#### *Impairment*

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

#### *Fair value hierarchy:*

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company has valued all of its financial instruments using Level 1 measurements.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash, Canadian Chartered Bank demand deposits and money market funds.

### **Foreign Currency Translation**

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction.

All gains and losses on translation of these foreign currency transactions are included in the consolidated statement of loss and comprehensive loss.

### **Exploration and Evaluation Assets**

Exploration and evaluation assets include the costs of acquiring licenses, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination.

Expenditures incurred exploring and evaluating mineral properties are charged to the statement of loss as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are also expensed.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

### **Share-based Compensation**

The Company grants stock options to buy common shares of the Company to directors, officers, employees and services providers. The board of directors generally grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

### **Income Taxes**

Income tax on the profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill not deductible for tax purposes; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied.

### **Restoration, Rehabilitation and Environmental Obligations**

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an interest in an exploration and evaluation asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability

is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

### **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense (“notional interest”).

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

### **Flow-through shares**

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available.

### **Loss per share**

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

### **Impairment**

Exploration and evaluation assets are reviewed on at least an annual basis and when changes in circumstances suggest their carrying value may become impaired. IFRS 6 – “Exploration for and evaluation of mineral resources”, lists facts and circumstances that indicate that an entity should test its exploration and evaluation assets for impairment. This list includes but is not limited to the following: i) the period for which the Company has the right to explore in the specific area has expired in the period or will expire in the near future and is not expected to be renewed; ii) substantive expenditures in the specific area are neither budgeted nor planned; iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and iv) sufficient data exist to indicate that, although a development in the area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Should an indicator of impairment exist then the Company shall perform an impairment test in accordance with IAS 36.

## Accounting pronouncements adopted

At the date of approval of these Financial Statements for the year ended June 30, 2020, the following standards which are applicable to the Corporation were adopted.

### IFRS 16, Leases

The Company adopted IFRS 16, Leases ("IFRS 16") on July 1, 2019. The objective of IFRS 16 is to record most leases on the lessee's balance sheet. Accordingly, under IFRS 16, the Company is required to recognize a right-of use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company has adopted IFRS 16 using a modified retrospective approach, which does not require restatement of prior periods. Comparative information has not been restated and continues to be reported under IAS 17, Leases.

The Company's lease for its office had previously been classified as an operating lease under IAS 17. On adoption of IFRS 16, liabilities for the lease were measured as the present value of the remaining lease payments, discounted using an assumed incremental borrowing rate as of July 1, 2019 of 10%.

The Company's lease liabilities at July 1, 2019 are reconciled to the operating lease commitments at June 30, 2019 as follows:

Operating lease commitment at June 30, 2019	\$79,159
Discounting using a July 1, 2019 incremental borrowing rate	(13,368)
Discounted lease liabilities at July 1, 2019	65,791

The Company's lease obligation consists of the following as at June 30, 2020:

<b>Movement in lease obligation:</b>	<b>\$</b>
Beginning balance at July 1, 2019	-
IFRS adjustments	\$65,791
Additions during the nine months ended March 31, 2020	-
Payments during the three months ended September 30, 2019	(3,031)
Payments during the three months ended December 31, 2019	(3,106)
Payments during the three months ended March 31, 2020	(3,693)
Payments during the three months ended June 30, 2020	(4,041)
Lease obligations at June 30, 2020	51,920
Less: current portion	(17,649)
Total long-term lease obligations	\$34,271

During the year ended June 30, 2020, the Company recognized the following amounts:

- amortization expense of right-of-use assets of \$18,797.
- interest expense on lease liabilities of \$5,991.

## Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the year ended June 30, 2020, there are no issued but unadopted standards which would have a material impact on the Company.

## 4. Cash and cash equivalents

Cash and cash equivalents consist of cash and investments in Canadian Chartered Bank demand money market funds.

On October 2, 2018, the Company closed the first tranche of a non-brokered private placement with the sale of 1,300,000 flow-through units for gross proceeds of \$130,000. On December 21, 2018, the Company completed a private placement of 8,307,692 flow-through units for gross proceeds of \$540,000 and on December 31, 2018, a private placement of 1,150,000 flow-through units for gross proceeds of \$74,750. Flow-through funds are committed to be expended on Canadian Exploration Expenditures and are therefore not available for current working capital purposes.

During the year ended June 30, 2020, the Company spent a total of \$851,192 on exploration and evaluation activities, in ON and BC and has spent all funds required to be expended for flow-through share purposes.

## 5. Marketable securities

On June 11, 2018, the Company sold its Timmins-Hislop property and received 178,321 common shares of McEwen Mining Inc. valued at \$500,000, based on the 5 day volume weighted average share price on the NYSE prior to closing.

Romios retains a 2% net smelter returns royalty (“NSR”) interest in the property. McEwen Mining will have the right at any time to purchase a 1% NSR from the Company for \$2 million.

Crystal Lake Mining Corp, (“CLM”) received regulatory approval on February 22, 2019 to enter into a definitive agreement (the “Agreement”) whereby Romios’ Newmont Lake Project, (the “Property”) is now optioned to CLM. Note 6 sets out the main terms of the Agreement and in accordance with the Agreement, the Company has received cash payments of \$1,000,000 and 4 million common shares of CLM valued at \$1,060,000 at the time of receipt in June, 2019. The proceeds of option payments are credited against the original acquisition cost of mineral properties.

Canadian Equities	Crystal Lake Mining Corp.			McEwen Mining Inc.			Total	
	Shares	Market \$	Cost \$	Shares	Market \$	Cost \$	Market \$	Cost \$
Balance June 30, 2018	-	-	-	178,321	485,033	500,000	485,033	500,000
Additions in the year	4,000,000	1,060,000	1,060,000	-	-	-	1,060,000	1,060,000
Unrealized gain/(loss)	-	160,000	-	-	(74,895)	-	85,105	-
Balance June 30, 2019	4,000,000	1,220,000	1,060,000	178,321	410,138	500,000	1,630,138	1,560,000
Disposals in the period	(2,510,000)	(262,735)	(665,150)	(3,000)	(4,050)	(8,412)	(266,785)	(673,562)
Unrealized loss	-	(700,529)	-	-	(165,425)	-	(865,954)	-
Realized gain/(loss)	-	(10,886)	-	-	1,280	-	(9,606)	-
Balance June 30, 2020	1,490,000	245,850	394,850	175,321	241,943	491,588	487,793	886,438

The shares are designated as financial instruments carried at fair value, with unrealized gains and losses based on stock exchange quoted prices recognised in comprehensive loss for the period. During the year the Company recognized a loss on marking the marketable securities to market in the amount of \$865,954. In addition, the Company recognized a realized loss in the amount \$9,606.



## 6. Exploration and evaluation assets

Acquisition costs	British Columbia \$	Ontario \$	Quebec \$	Nevada, USA \$	Total \$
Balance, June 30, 2018	4,212,139	8,500	-	-	4,220,639
Total additions for the period	49,861	4,500	-	-	54,361
<i>Property option proceeds:</i>					
Cash	(1,000,000)	-	-	-	(1,000,000)
CLM common shares	(1,060,000)	-	-	-	(1,060,000)
Abandonment and write off	(1,945)	-	-	-	(1,945)
Balance, June 30, 2019	2,200,055	13,000	-	-	2,213,055
Total additions for the period	-	11,700	-	-	11,700
Abandonment and write off	(4,820)	-	-	-	(4,820)
Balance, June 30, 2020	2,195,235	24,700	-	-	2,219,935

The Company's holdings in the Golden Triangle Area total 78,535 hectares (194,064 acres). Acquisition costs for British Columbia include property payment obligations and maintenance fees for claims.

The acquisition costs of exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the realizable amount.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. With regard to the Company's Quebec and Nevada properties, the carrying value was reduced to nil as future exploration on these claims was neither budgeted nor planned.

### Ontario claims

In April 2018 the Company acquired two blocks of cell claims by online staking in the vicinity of the Lundmark-Akow Lake claims. Block #1 consists of 91 cell claims, approximately 1,777 hectares (4,391 acres). Block #2 comprises 79 cell claims, approximately 1,540 hectares (3,805 acres) 10 km northwest of the Lundmark Lake area.

In March 2019, the Company acquired by staking 7 claims, adding 137 hectares to the Lundmark-Akow Lake property after receipt of the VTEM survey results. Another 8 claims totalling 158 hectares were also acquired as grass roots targets south of the Musselwhite mine.

The Company acquired by staking another 142 claims in the northwest portion of the Lundmark-Akow Lake Project area in September. The claims cover approximately 2,987 hectares (7,381 acres).

In April 2020, the Company acquired by staking 81 mining claims totalling 1,576.5 hectares (3,896 acres) which are 32 km NW of Romios' Lundmark-Akow property and 58 km NW of Newmont's Musselwhite gold mine.

These additional claims bring the Company's claims in Ontario to 762 for a total of 14,892 hectares (36,799 acres).

At June 30, 2020 the Company had a 100% working interest on a total of 9,598.5 hectares (22,719 acres) on the Lundmark-Akow lake property, part of which is subject to a 3% net smelter return royalty held by a corporation controlled by the President and CEO.

## BC claims

To acquire a 100% interest in the Royce Claim and the Porc Claim (the "Royce/Porc Property") covering respectively 1,321 and 614 hectares in the Golden Triangle the Company issued 500,000 common shares to the vendors in July 2018, valued at \$25,000 and granted a 1% net smelter returns royalty ("NSR") in favour of the vendors for each of the two properties. The Company has the right to buy back a 0.5% NSR, in respect of each of the two properties, for \$500,000, and has a right of first refusal on the remaining 0.5% NSR.

In the Golden Triangle of BC, in September 2018 the Company acquired by staking 17 claims covering 6,506 hectares, 1.4 km west of the JW property and in December, 4 additional claims covering 1,832 hectares adjoining the Andrei claims. In March 2019 five additional claims covering 791 hectares were acquired by staking over a historic prospect 11 km northeast of the Andrei claims.

In December 2018 the Company signed a definitive agreement (the "Agreement") with Crystal Lake Mining Corporation ("CLM") whereby, over the next three years CLM can earn a 100% working interest in the Newmont Lake Project (the "Property") comprising approximately 438 square kilometres. The consideration set out, among other things, the issue of 12 million common shares by CLM to the Company over three years, of which the first 4 million shares were issued on receipt of regulatory approval of the transaction in February 2019; the payment of \$2 million in cash option payments, of which \$250,000 was paid upon signing of the Letter Agreement, \$500,000 was paid on receipt of regulatory approval and \$250,000 in June, 2019 (a total of \$1.0 million received in the 2019 fiscal year). A further \$1 million will be payable upon CLM earning its 100% interest in the Property through the expenditure of \$8 million on the Property over no more than a 3-year period, with the first \$3 million to be spent in the calendar year 2019. Upon completion of the option agreement, Romios will retain a 2% Net Smelter Returns Royalty ("2% NSR") on the Property, and on any after-acquired claims within a 5 km radius of the current boundary of the Property. The 2% NSR may be reduced at any time to a 1% NSR on the payment of \$2 million per 0.5% NSR.

CLM undertook an exploration program pursuant to the terms of the Letter Agreement and on November 2, 2018 CLM reported that it had completed drilling six reverse circulation ("RC") drill holes, four on the Burgundy Ridge Zone, and two on the Northwest Zone of the Property. Expenditures incurred by CLM on the Property under the Agreement are not included in these financial statements.

CLM carried out an extensive exploration program on the Property in the summer of 2019, stating that expenditures were significantly in excess of the \$3 million required for the calendar year 2019.

Amounts expended by the Company to date for exploration and evaluation activities in each area are summarized below. These costs are being charged to the statement of loss and comprehensive loss as incurred.

	British Columbia	Quebec	Ontario	Cumulative Total
	\$	\$	\$	\$
Balance, June 30, 2018	20,636,775	981,684	1,311,495	22,929,954
Total additions for the year	186,891	1,444	803,225	991,560
Balance, June 30, 2019	20,823,666	983,128	2,114,720	23,921,514
Total additions for the period	242,512	5,701	602,979	851,192
BC refund	(63,339)	-	-	(63,339)
Balance, June 30, 2020	21,002,839 <sup>(1)</sup>	988,829 <sup>(2)</sup>	2,717,699 <sup>(3)</sup>	24,709,367

(1) Net of cumulative refunds totalling \$806,055 received from the province of British Columbia.

(2) Net of cumulative refunds totalling \$431,127 received from the province of Quebec.

(3) Net of cumulative refunds totalling \$97,824 received from the province of Ontario.

## 7. Right of use assets

Cost	Office lease
	\$
Balance June 30, 2019	\$-
Additions in the period	65,791
Balance June 30, 2020	65,791
Accumulated amortization	
Balance June 30, 2019	\$ -
Amortization for the period	18,797
Balance June 30, 2020	18,797
Net book value as at June 30, 2020	\$46,994

## 8. Share capital

### (a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares.

	Number #	Amount \$
Balance, June 30, 2018	181,131,824	31,888,326
Issuance of shares for property July, 2018	500,000	25,000
Exercise of brokers warrants	70,000	3,500
Flow through units issued October 2, 2018	1,300,000	130,000
Working capital units issued October 2 2018	5,312,500	425,000
Working capital units issued November 8, 2018	625,000	50,000
Flow through units issued December 21, 2018	8,307,692	540,000
Flow through units issued December 31, 2018	1,150,000	74,750
Flow through share liability	-	(26,000)
Warrant issue valuation	-	(33,223)
Share issue costs	-	(64,882)
Balance, June 30, 2019 and June 30, 2020	198,397,016	33,012,471

Since June 30, 2018 the Company completed the following financings in order to advance the exploration programs in the Golden Triangle of BC and the Lundmark-Akow Project in northwestern Ontario, and for corporate overhead costs.

### Non – brokered Private Placements

Date	Type	Units	Price	Proceeds, \$	Warrants	Price	Expiry
October 2, 2018	FT	1,300,000	\$0.10	130,000	650,000	\$0.18	October 2, 2019
October 2, 2018	WC	5,312,500	\$0.08	425,000	5,312,500	\$0.12	October 2, 2019
November 8, 2018	WC	625,000	\$0.08	50,000	625,000	\$0.12	November 2, 2019
December 21, 2018	FT	8,307,692	\$0.065	540,000	-	-	-
December 31, 2018	FT	1,150,000	\$0.065	74,750	-	-	-

In July, 2018 500,000 common shares were issued at \$0.05 to acquire the minority interest in the Royce/Porc and JW Property in the Golden Triangle of BC, subject to a 1% net smelter royalty in respect of each of the claims.

## (b) Common share purchase options

The Company has a stock option plan (the "Plan") for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. At June 30, 2020, 13,450,000 common shares were reserved for the exercise of stock options granted under the Plan.

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options #	Weighted-average exercise price \$
Outstanding at June 30, 2018	9,350,000	0.10
Granted	9,850,000	0.08
Expired, May 2019	(5,750,000)	0.10
Options outstanding at June 30, 2019 and June 30, 2020	13,450,000	0.09
Options exercisable at June 30, 2020	13,450,000	0.09

On June 6, 2019 9,850,000 share purchase options were granted to acquire common shares of the Company at \$0.08 per share for five years. The fair value was estimated at \$0.08 per option at the date of grant using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.33%, expected dividend yield of nil, average expected volatility of 185.45% and expected life term of 60 months.

Based on estimated fair values, the Company recorded \$174,528 as share-based compensation for the year ended June 30, 2020, for options vested during the period. Options outstanding vest half on the date of grant and half twelve months from the date of grant.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
500,000	500,000	1.6 months	\$0.10	August 19, 2020
650,000	650,000	1.6 months	\$0.08	August 19, 2020
2,600,000	2,600,000	9.7 months	\$0.10	April 20, 2021
500,000	500,000	29.4 months	\$0.10	December 13, 2022
9,200,000	9,200,000	47.2 months	\$0.08	June 6, 2024
13,450,000	13,450,000			

## (c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues. The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number of Shares	Price Range \$
Balance June 30, 2018	10,634,334	0.05 to 0.12
Expired, unexercised	(10,564,334)	0.05 to 0.12
Exercised	(70,000)	0.05
Private placement warrants issued	7,252,115	0.065 to 0.18
Balance June 30, 2019	7,252,115	0.07 to 0.18
Expired, unexercised	(7,252,115)	0.07 to 0.18
Balance June 30, 2020	-	

The fair value of the warrants issued in the period ended June 30, 2019 was estimated to be \$33,223, using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.90–2.25%, expected dividend yield of nil, average expected volatility of 134.31%-135.88% and expected life term of 12 months.

The number of common shares outstanding on June 30, 2020 was 198,397,016. Taking into account outstanding share purchase options and warrants, the fully diluted common shares that could have been outstanding on June 30, 2020 was 211,847,016.

## 9. Contributed surplus

A summary of changes in contributed surplus is:

	<b>Amount \$</b>
Balance, June 30, 2018	4,505,737
Share-based compensation	218,583
Warrants expired	176,566
Balance, June 30, 2019	4,900,886
Share-based compensation	174,528
Warrants expired	33,223
Balance, June 30, 2020	5,108,637

## 10. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined Federal and Provincial statutory tax rate of 26.25% (2019 - 26.25%) to the net loss for the year for reasons noted below:

	<b>June 30 2020 \$</b>	June 30 2019 \$
Income tax recovery based on statutory rate	<b>589,000</b>	423,000
Actual provision per financial statements		-
Non-deductible items for tax purposes	<b>(528,500)</b>	(337,350)
Tax effect of adjustments to prior year balances	<b>(60,500)</b>	(59,650)
Net income tax recovery	-	26,000

The Company has incurred tax losses of \$7,282,000 (2019 - \$7,007,000) which may be used to reduce future taxable income. The potential benefit of these losses will expire in the fiscal years ended June 30, if unused, as follows:

	<b>Amount, \$</b>
2027	642,000
2029	709,000
2030	622,000
2031	931,000
2032	951,000
2033	686,000
2034	573,000
2035	512,000
2036	425,000
2037	219,000
2038	278,000
2039	459,000
2040	275,000
	<b>7,282,000</b>

In addition to the above losses the Company has available CEE of approximate \$4.6 million, CDE of \$1.04 million and FDEE of \$1.6 million which can be used to offset future taxable income.

The components of future income tax asset (liability) are as noted below:

	<b>June 30 2020</b>	June 30 2019
	\$	\$
Non-capital losses	<b>1,956,000</b>	1,830,000
Capital assets	<b>5,000</b>	5,000
Exploration and evaluation assets	<b>988,000</b>	1,295,000
Marketable securities and other	<b>112,000</b>	-
Valuation allowance	<b>(3,061,000)</b>	(3,130,000)
Net deferred income tax liability	<b>-</b>	-

## 11. Related party transactions

During the year ended June 30, 2020, the Company incurred related party expenses of \$302,588 (2019 – \$360,860). These expenses are salary and consulting fees paid or payable to the Company's key senior officers, Tom Drivas, President and Chief Executive Officer, Frank van de Water, Chief Financial Officer, ohn Biczok, Vice-President, Exploration and Lawrence Roulston from March 19, 2018, to February 19, 2020. As at June 30, 2020, \$649,207 (2019 - \$591,954) was due to these related parties. Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the year ended June 30, 2020 and 2019.

Share-based compensation to key management and directors for the year ended June 30, 2020 was \$148,836 (2019 - \$189,274).

During the year ended June 30, 2020 the company incurred expenses of \$30,275 (2019 - \$90,574) for legal fees to a law firm related to a Director of the Company, William R. Johnstone. At June 30, 2020, \$nil (2019 - \$4,799) was outstanding.

These amounts were expensed in the period incurred as administrative and general expenses or exploration expenses. Expenses and amounts paid and owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 12. Financial instruments and risk management

### Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, assets available for sale and financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

	<b>June 30 2020</b>	June 30 2019
	\$	\$
FVTPL <sup>(1)</sup>	<b>647,720</b>	2,869,246
Loans and receivables <sup>(2)</sup>	<b>7,224</b>	83,284
Financial liabilities <sup>(3)</sup>	<b>17,206</b>	357,339

(1) Includes cash, cash equivalents and marketable securities.

(2) Includes accounts receivable related to HST refunds.

(3) Includes accounts payable.

### Financial Instruments

The carrying amounts for the Company's cash and cash equivalents approximate their fair values because of the short-term nature of these items. Marketable securities are priced at the quoted closing stock market price on the period end date.

### Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

### Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

### Pandemic COVID-19 risk

On March 11, 2020 the World Health Organization declared the COVID -19 infectious virus a global pandemic, with resulting travel bans, physical distancing, closing of social, cultural and educational facilities and non-essential businesses. Global financial equity markets have declined considerably and remain volatile. The possible effect on the Company could include difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The global shutdown and isolation of the people is showing progress in the decline of the rate of infection, but the timing to return to normal and the impact on the Company's operations is difficult to project.

### Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows or from the proceeds of disposition of the properties. Assumptions underlying the cash flow estimates include the forecasted prices for gold, copper and silver, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties.

## **13. Capital disclosures**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company has its existing working capital and will seek to raise additional amounts as needed. Discussions regarding financing are ongoing.

The Company will continue to assess new properties and 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.

Romios 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.

#### **14. Subsequent events**

- (i) Crystal Lake Mining Corporation (“CLM”) distributed 10,000,000 common shares of its wholly owned subsidiary, Sassy Resources Corporation (“Sassy”) to the CLM shareholders on a pro rata basis. The CLM shareholders received 0.066708 Sassy shares for every one CLM share held as at February 10, 2020.

The Company received 200,124 shares of Sassy, which became an unlisted reporting issuer in the Provinces of British Columbia and Alberta.

On June 1, 2020 Sassy raised \$1,449,600 gross proceeds through a non-brokered Private Placement and on July 28 an additional \$2,005,338.

On July 20 Sassy reported commencing an exploration program in the Eskay Camp district in the Golden Triangle area of British Columbia and on July 29 the Canadian Securities Exchange (“CSE”) conditionally approved the listing of Sassy, with trading commencing on August 17, 2020.

As of June 30, 2020 the Company considered the Sassy shares not to be marketable and accordingly did not place a value on them. Once listed the shares became marketable securities, and in future will be included as marketable securities. The approximate market value of these shares as at September 28 was \$100,000.

- (ii) August 19, 2020 1,150,000 share purchase options exercisable at \$0.08-\$0.10 per share, expired unexercised.