Braveheart Resources Inc.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE NINE MONTHS ENDED FEBRUARY 29, 2020 and FEBRUARY 28, 2019

BRAVEHEART RESOURCES INC.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

February 29, 2020

The accompanying unaudited interim condensed consolidated financial statements of Braveheart Resources Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

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

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management and have not been reviewed by the Company's independent auditors.

BRAVEHEART RESOURCES INC.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

	Note		February 29 2020		May 31 2019
ASSETS					(audited)
Non-current assets					
Property, plant and equipment	3,4	$	**2,951,477**	$	2,749,353
Unprocessed ore	3		**5,039,144**		5,039,144
Mineral properties	5		**2,143,000**		2,365,008
Deferred tax asset	3		**1**		1
Total non-current assets		$	**10,133,622**	$	10,153,506
Current assets					
Deposits and prepaids	3, 6		**639,649**		687,504
Restricted funds committed to related party loan	8		**313,713**		650,000
Accounts receivable and harmonized sales tax			**197,215**		222,631
Cash and cash equivalents			**543,710**		696,182
Total current assets			**1,694,287**		2,256,317
Total assets		$	**11,827,909**	$	12,409,823
EQUITY AND LIABILITIES					
Equity					
Share capital	7	$	**10,027,559**	$	7,405,439
Warrants	7		**1,030,645**		1,218,932
Equity component of convertible debenture	9		**1,926,400**		1,926,400
Contributed surplus	7		**4,080,345**		3,331,109
Deficit			**(16,144,277)**		(11,395,581)
Total Equity		$	**920,672**	$	2,486,299
Going concern	1				
Commitments and contingencies	13				
Subsequent events	14				
Non-current liabilities					
Due to related party	8		**5,471,998**		5,061,922
Flow through share premium	7		**61,840**		23,600
Decommissioning obligations	11		**181,063**		164,863
Debt component of convertible debenture	3,9		**4,797,781**		4,305,790
Total non-current liabilities		$	**10,512,682**	$	9,556,175
Current liabilities					
Accounts payable and accrued liabilities			**341,609**		320,405
Due to directors			**12,946**		6,944
Advance payable			**40,000**		40,000
Total current liabilities			**394,555**		367,349
Total liabilities			**10,907,237**		9,923,524
Total equity and liabilities		$	**11,827,909**	$	12,409,823

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

BRAVEHEART RESOURCES INC.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2020 and FEBRUARY 28, 2019

	Note	Three months ended February 29 2020	Three months ended February 28 2019	Nine months ended February 29 2020	Nine months ended February 28 2019
Expenses					
Marketing and advertising		$ **27,764**	$ -	$ **50,019**	$ -
Consulting fees		**168,582**	159,488	**508,608**	248,738
Amortization	4	**46,780**	-	**134,009**	-
Accretion	11	**6,485**	-	**16,200**	-
Administrative expenses		**76,688**	66,111	**160,555**	113,362
Professional fees		**37,493**	159,536	**159,867**	252,558
Rent		**-**	-	**1,000**	-
Salaries and wages		**87,553**	-	**317,165**	-
Supplies and maintenance		**129,071**	-	**333,549**	-
Equipment repairs		**37,286**	-	**37,286**	-
Mining exploration and development expenses	5	**273,530**	111,063	**1,015,553**	513,805
Share based compensation	7	**-**	-	**842,800**	-
Interest expense	8, 9	**358,721**	83,123	**1,047,636**	83,123
Operating loss		**1,249,953**	**579,321**	**4,624,247**	**1,211,586**
Foreign Exchange gain (loss)		**(319)**	-	**(1,368)**	-
Loss on sale of assets		**(365,000)**	-	**(365,007)**	-
Interest income		**1,924**	-	**36,486**	220
Net loss		**(1,613,348)**	**(579,321)**	$ **(4,954,136)**	**(1,211,366)**
Flow-through share premium renunciation		**25,000**		**72,000**	
Corporate income tax recovery	12	**-**		**133,440**	-
Net loss and comprehensive loss for the period		$ **(1,588,348)**	$ **(579,321)**	$ **(4,748,696)**	$ **(1,211,366)**
Net loss per share		$ **(0.014)**	$ **(0.009)**	$ **(0.046)**	$ **(0.024)**
Weighted average outstanding shares		**110,690,930**	**67,203,966**	**103,603,135**	**50,360,482**

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

BRAVEHEART RESOURCES INC.
INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2020 and FEBRUARY 28, 2019

		Share Capital							
		Common Shares		Warrants		Contributed Surplus	Equity Convertible Debenture	Retained earning/ (deficit)	Total
	Note	Number	Amount	Number	Amount				
Balance, May 31 , 2018		43,751,105	$ 4,876,834	12,760,395	$ -	$ 3,617,120	$ -	$ (8,480,726)	$ 116,728
Share issue for cash		15,225,000	1,522,500						1,419,000
Flow-through share issue for cash		2,950,000	295,000						295,000
Shares issued for property aquistion		15,676,249	1,567,625						1,567,625
Fair value of warrants			(1,588,619)	26,880,500	$	1,588,619			-
Warrants expired unexercised				(3,310,000)					
Debenture							1,722,300		1,722,300
Share issue costs			(18,000)						(18,000)
Net loss								(1,211,366)	(1,211,366)
Balance, February 28, 2019		77,602,354	$ 6,655,340	36,330,895	$ 0	$ 5,205,739	$ 1,722,300	$ (9,692,092)	$ 3,891,287
Balance, May 31 , 2019		93,803,134	$ 7,405,439	52,531,176	$ 1,218,932	$ 3,331,109	$ 1,926,400	$ (11,395,581)	$ 2,486,299
Share issue for cash	7	333,333	50,000						50,000
Flow-through share issue for cash	7	9,023,530	1,378,000						1,378,000
Flow-through share premium	7		(110,240)						(110,240)
Warrants excercised	7	8,447,490	1,405,789	(8,447,491)	(252,591)	(103,449)			1,049,749
Warrants expired unexercised	7			(27,203,685)	(66,885)	66,885			-
Fair value of warrants	7		(72,898)	607,843	$ 72,898				-
Share based compensation	7					842,800			842,800
Stock options excercised		800,000	105,000			(57,000)			48,000
Share issued in claim settlement	7	450,000	63,000						63,000
Share issue costs	7		(196,531)	620,882	58,291				(138,240)
Loss and comprehensive loss								(4,748,696)	(4,748,696)
Balance, February 29, 2020		112,857,487	**$ 10,027,559**	18,108,725	**$ 1,030,645**	**$ 4,080,345**	**$ 1,926,400**	**$ (16,144,277)**	**$ 920,672**

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

BRAVEHEART RESOURCES INC.

INTERIM UNAUDITED CONDENSED CONSOLIDATED STATMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2020 and FEBRUARY 28, 2019

	Note	February 29 2020	February 28 2019
Cash flows from operating activities			
Net loss for the period		**$ (4,748,696)**	$ (1,211,366)
Add back/Deduct non-cash expenses/(income)			
Mining exploration expenses and development		**1,015,553**	513,805
Amortization	4	**134,009**	-
Accretion	11	**16,200**	-
Share based compensation	7	**842,800**	-
Interest accrued	8, 9	**1,038,354**	-
Flow-through share premium renunciation		**(72,000)**	-
Loss on sale of assets		**365,007**	
Net changes in working capital balances			
Accounts receivable and harmonized sales tax		**25,417**	(1,057,643)
Prepaids and deposits		**47,856**	(525,214)
Undispensed funds			(350,000)
Accounts payable and accrued liabilities		**21,203**	28,207
Due to directors		**6,002**	-
Cash flows used in operating activities		**(1,308,295)**	(2,602,211)
Cash flows from investing activities			
Exploration and evaluation assets		**(80,000)**	(513,805)
Investment in capital assets	4	**(336,133)**	(2,806,429)
Investment inunprocessed ore			(3,418,637)
Mineral properties	5	**(1,015,553)**	(2,239,992)
Cash flows used in investing activities		**(1,431,686)**	(8,978,863)
Cash flows from financing activities			
Issue of common shares and warrants, net of costs	7	**1,289,760**	1,917,500
Debt assumed as part of acquisition			6,000,000
Stock options exercised		**48,000**	
Warrants excerised	7	**1,049,749**	-
Issuable shares		**-**	(103,500)
Related party loan		**200,000**	4,800,000
Cash provided by financing activities		**2,587,509**	12,614,000
Net change in cash		**(152,472)**	1,032,926
Cash, beginning of the period		**696,182**	93,501
Cash, end of the period		**$ 543,710**	$ 1,126,427

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

1. REPORTING ENTITY AND GOING CONCERN

Braveheart Resources Inc. (the "Company") is an exploration stage company engaged in locating, acquiring and exploring for precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol BHT as well as the OTCQB Venture Market in the United States, having the symbol RIINF, and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019 the Company acquired all shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these financial statements include the operating results of Purcell and its subsidiaries (Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.).

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations and the Company has incurred significant losses to date resulting in a cumulative deficit of $16,144,277 as at February 29, 2020. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there remains doubt which constitutes a material uncertainty as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration, development and production efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

For the nine months ended February 29, 2020, the Company had a net loss of $4,748,696 and cash flow used in operations of $1,308,295. As at period end, the Company had working capital of $1,299,732 including cash of $543,710.

The Company has a history of operating losses. In recent years, it had negative cash flows operations and working capital deficiencies. Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Management continues to actively pursue additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these unaudited interim condensed financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended May 31, 2019.

The policies applied in these interim unaudited condensed financial statements are consistent with the policies disclosed in Notes 2, 3, and 4 of the audited annual financial statements for the year ended May 31, 2019.

The unaudited interim condensed financial statements were authorized for issue by the Board of Directors on April 28, 2020.

2.2 Recently Issued Accounting Pronouncements Adopted

On June 1, 2019, the Company adopted the recent accounting pronouncements, as follows:

(i) On January 13, 2016 the IASB issued IFRS 16, "Leases". The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee 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. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The adoption of this standard has not had a material impact on the financial statements.

3. **ACQUISITION OF PURCELL BASIN MINERALS INC.**

3.1 Summary of Acquisition

On January 18, 2019 the Company completed a definitive agreement to acquire the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and made pursuant to the Companies' Creditors Arrangement Act (CCAA). This was an arm's length transaction. The acquisition of Purcell received approval from all required parties and the transaction closed on January 18, 2019.

Under the terms of the Plan, Braveheart settled all priority payables including the costs of the Court appointed Monitor under the CCAA proceedings, related legal expenses and the interim financing that was in place and being paid by the debtor in possession. The cash cost of the priority payables was $1,184,652.

The unit holders of CuVeras LLC ("CuVeras"), one of two secured creditors of Purcell, were issued 10 million common shares of Braveheart and 10 million warrants of Braveheart, with each warrant entitling the holder to purchase a Braveheart common share at a price of $0.15 per share for a period of 12 months.

Braveheart purchased CuVeras' senior secured position for $6,000,000 in the form of a convertible debenture, maturing three years from the date of issuance. The debenture bears annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.40 per share. After three years, the remaining 60% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.50 per share. If the convertible debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras. Subsequent to February 29, 2020 the Company renegotiated convertible debenture terms – See also note 14.)

Highlands Pacific LLC and Highlands Pacific Partners LP and related entities controlled by Brendan MacMillan ("MacMillan Group"), the second secured creditor of Purcell, were paid $2,500,000 in exchange for releasing all claims against the assets of Purcell and all claims against CuVeras and those parties have settled all litigation between them.

Unsecured creditors of Purcell received 30% of their claim value in common shares of Braveheart at a price of $0.10 per share based on a satisfactory proof of claim, resulting in the issuance of 4,276,248 common shares of Braveheart.

(In Canadian dollars)

3.2 Value Received and Consideration Transferred

Cash	$	118,000
Deposit		525,214
Amounts receivable		1,057,643
Deferred tax asset		1
Property, plant & equipment		2,806,429
Mineral Property		2,143,000
Unprocessed ore		5,039,144
		11,689,431
Decommissioning Obligation		(156,380)
Accounts payable assumed		(119,993)
Fair value of net assets acquired	$	11,413,058
Fair value of consideration transferred:		
Shares and warrants issued to secured creditors	$	1,000,000
Payments made to secured creditor and monitor		3,724,433
Convertible debenture		6,000,000
Shares issued to unsecured creditors		427,625
Shares and warrants issued to former Purcell shareholders		118,000
Property tax on land transfer		80,000
Shares issued in settlement of claim		63,000
Fair value of consideration	$	11,413,058

The acquisition of historical non-capital loss and tax pools of $153,522,370 are available to reduce future income taxes.

The Company incurred $561,909 in acquisition transaction costs including direct costs incurred of the Monitor and legal costs that have been included in the statement of loss.

3.3 Contingent consideration arrangements

Pre-existing Purcell equity holders were granted an offer to acquire up to 16.5 million units ("Units") of the Company. Each Unit was comprised of one common share of the Company and one warrant, with each warrant entitling the holder to purchase one common share at a price of $0.15 per share for a period of 12 months. Each Purcell equity holder, regardless of how many Purcell shares previously held by such equity holder, was required to make a flat cash payment of $1,000 for all the Units purchased. On May 8, 2019, 118 pre-existing Purcell equity holders accepted the offer resulting in cash proceeds of $118,000 and the issuance of 16,200,781 Units. These transactions have been reflected in 3.2 above.

The Company had been defending two claims in dispute which was assumed. One claim was settled with the issuance of 450,000 common shares on November 7, 2019 with a fair value estimate of $63,000. See note 14 discussing settlement of the second assumed claim.

(In Canadian dollars)

4. PROPERTY, PLANT AND EQUIPMENT

February 29, 2020	Cost	Accumulated amortization	Net book value
Buildings	$2,486,494	(137,107)	$2,349,387
Equipment	$ 650,068	(52,482)	$ 597,586
Vehicles	$ 6,000	(1,496)	$ 4,504
Total	$3,142,562	(191,085)	$2,951,477

May 31, 2019	Cost	Accumulated amortization	Net book value
Buildings	$2,456,429	(44,418)	$2,412,011
Equipment	$ 350,000	(12,658)	$ 337,342
Total	$2,806,429	(57,076)	$2,749,353

On August 30, 2019 the Company purchased a used transformer for $265,000.

Amortization rates based on estimated useful lives of 20 years for Building and 10 years for Equipment, 3 years for Vehicles.

5. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSET

Acquisition of Mineral Properties

	May 31, 2019	Additions	Forfeit or Sold	February 29 2020
International	$ 1	$ -	$ (1)	$ 0
Tin City	1	-	(1)	0
President	1	-	(1)	0
Gold Viking & Anna	1	-	(1)	0
Rhea & Waffer	1	-	(1)	0
Ottawa	1	-	(1)	0
Sirush	1	-	(1)	0
Referendum & Whitewater	1	-	(1)	0
Alpine Mine	365,000	-	(365,000)	0
Purcell (Note 3)	2,000,000	143,000	-	2,143,000
	$ 2,365,008	$ 143,000	$ (365,008)	$ 2,143,000

(In Canadian dollars)

Mining Exploration Expenses

	For the Period Ended February 29, 2020	For the Year Ended May 31, 2019
President	$ -	$ 2,356
International	-	4,972
Ottawa	-	1,164
Referendum & Whitewater	-	1,650
Alpine	21,053	487,513
Purcell	994,500	112,469
	$ 1,015,553	$ 610,124

The BC Mining Exploration Tax Credit is a 20% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC – 2020 - $133,440; 2019 - $Nil.

The $133,440 recovery represents Canada Revenue Agency assessed recoveries of expenditures in 2015 and 2016 by the Company.

All properties listed below except the Alpine and Purcell, have either been forfeited or sold and had a carrying value of $8 as of May 31, 2019.

International Property, near Duncan Lake, BC.
Tin City Property, immediately north and contiguous of the International property.
President Property, located on the west side of Duncan Lake, BC.
Gold Viking & Anna Property, located near Slocan City, BC.
Rhea & Waffer Property, located near Nelson, BC.
Ottawa Property, located near Slocan Lake.
Sirush Property, located near Nelson, BC contiguous to the Rhea property.
Referendum & Whitewater Property, contiguous with the Rhea property.

Alpine Mine Property

The property is located in the West Kootenay region approximately 20 kilometres northeast of Nelson. During the 2016 fiscal year the Company entered into an agreement to acquire 100% of the property. The Company did not pay by December 15, 2019 an additional $200,000 nor issue 400,000 common shares as required by its option agreement and has therefore recorded an impairment on the Alpine property.

Purcell Property

The property is located in the East Kootenay region approximately 30 kilometres from Cranbrook. On January 18, 2019 the Company successfully acquired the property out of a formal insolvency proceeding. Funding that had been previously committed in order proceed through to closing of the transaction (mine care and maintenance, deposits and professional fees) have been capitalized and included in Property, Plant and Equipment. Please refer to note 3, for a full description of the transaction that resulted in the acquisition of the Purcell Property.

(In Canadian dollars)

6. DEPOSITS AND PREPAIDS

		February 29, 2020		May 31, 2019
Restricted deposits	$	541,149	$	539,715
Advances		98,500		147,789
Deposits and prepaid	$	639,649	$	687,504

Restricted deposits are held in Canadian banks as required by British Columbia Ministry of Energy, Mines and Petroleum Resources.

7. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

		February 29, 2020		May 31, 2019
Authorized and issued		Number of shares		
Common shares without par value		93,803,134		43,751,105
Issued for cash - shares (i)(ii)		333,333		15,225,000
Issued for cash on exercise of stock options (ix)		800,000		-
Issued for settlement of claim (x)		450,000		-
Issued for cash - flow-through shares (ii)(vi)(vii)(xi)		9,023,530		2,950,000
Warrants exercised (viii)		8,447,490		-
Issued for property (iii)(iv)(v)		-		31,877,029
Common shares		112,857,487		93,803,134
Opening	$	7,405,439	$	4,876,834
Issued for cash – units (i) (ii)		50,000		1,522,500
Issued for cash - flow-through shares (ii)(vi)(vii) (xi)		1,378,000		295,000
Stock options exercised (ix)		105,000		-
Issued for settlement of claim (x)		63,000		-
Warrants exercised (viii) (xi)		1,405,789		-
Issued for property (iii)(iv)(v)		-		1,685,626
Flow-through share premium		(110,240)		(23,600)
Share issue costs		(196,531)		(18,000)
Fair value of warrants		(72,898)		(932,920)
	$	10,027,559	$	7,405,440

(i) In August 2018, the Company completed a private placement of 2,535,000 units at $0.10 per unit and for gross proceeds of $253,500. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance.

(ii) In December 2018, the Company completed a private placement of 12,690,000 units at $0.10 per unit and for gross proceeds of $1,269,000. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance. In addition, on that date the Company completed a private placement of 2,950,000 units issued on a flow-through basis at a price of $0.10 per share for gross proceeds of $295,000. Each two flow-through warrants will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance. Commissions totalling $18,000 were paid on the private placement resulting in net proceeds of $1,546,000. Additionally, 180,000 broker warrants were issued to a registered broker entitling the holder to acquire one additional common of the Company for each warrant held at a price of $0.10 for a period of 24 months from the date of issue.

(iii) In December 2018, the Company issued 1,400,000 common shares at a value of $0.10 per share in accordance with the terms of the amended Option Agreement on the Alpine Mine property.

(iv) In January 2019, the Company issued 14,276,248 common shares at a value of $0.10 per share and 10,000,000 units at a value of $0.10 under the terms of the Purcell Basin Minerals Inc. acquisition pursuant to the Plan of Arrangement. The units and shares were issued to a combination of secured (10,000,000) and unsecured (14,276,248) creditors. The units included 10,000,000 warrants of the Company that entitle the holder to acquire one additional common share of the Company at a price of $0.15 for each warrant held for 12 months from the date of issuance. See Note 3.

(v) In May 2019, the Company completed a private placement of 16,200,781 units for gross proceeds of $118,000. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 until January 18, 2020. This private placement was completed as pre-existing Purcell equity holders accepted the offer discussed in Note 3.

(vi) On June 6, 2019, the Company completed a private placement of 2,941,177 common shares on a flow through basis at $0.17 per common share and for gross proceeds of $500,000. Commissions totalling $50,000 were paid on the private placement resulting in net proceeds of $450,000. Additionally, 294,118 broker warrants were issued to a registered broker entitling the holder to acquire one additional common of the Company for each warrant held at a price of $0.17 for a period of 24 months from the date of issue.

(vii) On June 18, 2019, the Company completed a private placement of 882,353 units on a flow-through basis at $0.17 per common share and for gross proceeds of $150,000. In addition, on that date the Company completed a private placement of 333,333 common shares issued at a price of $0.15 per share for gross proceeds of $50,000. The units comprise one common share and one-half common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.21 until June 18, 2021. Commissions totalling $20,000 were paid on the private placement resulting in net proceeds of $180,000. Additionally, 60,764 broker warrants were issued to a registered broker entitling the holder to acquire one additional common of the Company for each warrant held at a price of $0.17 for a period of 24 months from the date of issue.

(viii) During the nine months ended February 29, 2020, 8,447,490 common share purchase warrants were exercised for gross proceeds of $1,049,749, and 26,495,351 common share purchase warrants expired unexercised.

(ix) On October 31, 2019 300,000 stock options were exercised at $0.06 per common share for gross proceeds of $18,000. On December 23, 2019 500,000 stock options were exercised at $0.06 per common share for gross proceeds of $30,000.

(x) On November 7, 2019 450,000 common shares were issued as settlement of a claim assumed on acquisition of Purcell (Note 3).

(xi) The Company completed a private placement of 5,200,00 flow-through shares at $0.14 per share for gross proceeds of $728,000 on December 20, 2019. The Company paid finders fees totaling 68,240 and issued 266,000 finders warrants, with each finder warrant exercisable into a common share at an exercise price of $0.14 per share for a period of 24 months.

(In Canadian dollars)

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended February 29, 2020:

	Number of Warrants	Weighted Average Exercise Price	
Balance, May 31, 2018	12,760,395	$	0.12
Expired	(3,310,000)		-
Issued	43,080,781		0.15
Balance, May 31, 2019	52,531,176	$	0.15
Exercised	(7,318,293)		0.12
Expired	(708,334)		0.12
Issued	962,725		0.20
Balance, November 30, 2019	45,467,274	$	0.15
Exercised	(1,129,198)		0.15
Expired	(26,495,351)		0.15
Issued	266,000		0.14
Balance, February 29, 2020	18,108,725	$	0.15

At February 29, 2020, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price		Expiry date
2,535,000	$	0.15	August 2, 2020
14,165,000		0.15	December 27, 2020
180,000		0.10	December 27, 2020
294,118		0.17	June 5, 2021
607,843		0.21	June 18, 2021
60,764		0.17	June 18, 2021
266,000		0.14	December 19, 2021
18,108,725	$	0.15	

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended February 29, 2020:

(In Canadian dollars)

	Number of Options	Black-Scholes Value		Weighted Average Exercise Price	
Balance, May 31, 2018	3,000,000	$	733,175	$	0.06
Expired	-		-		
Balance, May 31, 2019	3,000,000	$	733,175	$	0.06
Issued	5,955,556		842,800		0.18
Balance, August 31, 2019	8,955,556	$	1,575,975	$	0.14
Exercised	(300,000)			$	0.06
Balance, November 30, 2019	8,655,556	$	1,575,975	$	0.14
Exercised	(500,000)			$	0.06
Balance, February 29, 2020	8,155,556	$	1,575,975	$	0.15

The following table summarizes information about stock options outstanding and exercisable at February 29, 2020, following the consolidation adjustment:

Date of Grant	Number of Outstanding at May 31, 2019	Exercise Price		Weighted Average Remaining Life (months)	Date of Expiry	Number of Exercisable at August 31, 2019
April 25, 2017	3,000,000	$	0.06	26	April 25, 2022	2,200,000
June 5, 2019	-	$	0.18	39	June 5, 2023	5,955,556
	3,000,000					8,155,556

The Company provides compensation to directors, employees and consultants in the form of stock options.

On June 5, 2019 the Company granted 5,955,556 options at a strike price of $0.18 and an expiry date of four years to officers, directors, employees and consultants. The fair value of $842,800 for the 5,955,556 stock options granted of $0.14 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.38%, expected life of 4 years and historical volatility was used for calculation of expected volatility of 123%.

On October 31, 2019, 300,000 stock options were exercised at $0.06 per common share for gross proceeds of $18,000. On December 23, 2019 500,000 stock options were exercised at $0.06 per common share for gross proceeds of $30,000.

8. DUE TO RELATED PARTY

On January 4, 2019 the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a Director of the Company. The loan has a principal amount of $5,000,000 and carries an interest rate of 14.8% for a term of four years. Interest will accrue for the first two years, and commencing in the third year, the Company will be required to make blended payments comprised of principal and interest.

On April 12, 2019 $150,000 and on October 22, 2019 the remaining $200,000 funds was dispersed.

Under the terms of the loan agreement, $650,000 of the $5,000,000 remained in an escrow account as security for certain third-party debts with Matlock Farms Ltd. On March 1, 2019, $172,785 and on September 3, 2019, $172,784 was paid from the escrow account against the Matlock loan.

(In Canadian dollars)

9. CONVERTIBLE DEBENTURE

On January 18, 2019, Braveheart purchased CuVeras LLC's senior secured position of Purcell for $6,000,000 in the form of a convertible debenture (the "Debenture), which will mature three years from the date of issuance. The debenture has annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.40 per share. After 35 months, the full principal amount of the Debenture can be converted into shares of Braveheart at a price of $0.50 per share. If the Debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras.

The Debenture has been bifurcated into its debt and equity components. The fair value of the debt portion in the amount of $4,073,600 was estimated using a discounted cash flow method based on an expected life of three years, timing of expected conversions, and a discount rate of 15%. The residual of $1,926,400 was allocated to equity.

The Debenture is comprised of the following:	February 29, 2020	May 31, 2019
Face value of Convertible Debenture	$6,000,000	$6,000,000
Equity component of Convertible Debenture	1,926,400	1,926,400
Liability component of Convertible Debenture	$4,073,600	$4,073,600
Accrued interest	724,181	232,190
Liability Component of Convertible Debenture and Accrued interest	$4,797,781	$4,305,790

See also note 14 which discusses renegotiated terms of Convertible Debentures.

10. RELATED PARTIES

See Note 8 for loan from a related party and Note 7 for details of $842,800 for share based compensation for options granted to directors, contractors, and employees.

During the nine months ended February 29, 2020, the Company incurred $328,892, in drilling costs paid to Lucky Drilling Ltd., a contractor in which a Director of the Company is a significant shareholder.

11. DECOMMISSIONING LIABILITIES

The Corporation estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately $470,747 in 2029. A Corporation credit adjusted risk-free interest rate of 15.0% and an estimated inflation rate of 3.0% was used to calculate the present value of asset retirement obligations.

Decommissioning obligations activities during the period:	February 29, 2020	May 31, 2019
Beginning of period	$164,863	-
Additions during the year (Note 3)	-	$156,380
Accretion	16,200	8,483
End of period	$181,063	$164,863

12. INCOME TAXES

The BC Mining Exploration Tax Credit is a 20% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC. The 2020 $133,440 recovery represents Canada Revenue Agency assessed recoveries of expenditures in 2015 and 2016.

13. COMMITMENTS AND CONTINGENCIES

The Company has a commitment to spend $295,000 from amounts raised through flow-through financing issued in December 31, 2018 on eligible Canadian exploration and development expenses. At August 31, 2019, the Company has incurred these required expenses. In June 2019 and December 2019 the Company has committed to spend $650,000 and $728,000 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2020. As at February 29, 2020 the Company estimates a $770,000 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2020.

14. SUBSEQUENT EVENTS

On March 11, 2020 the Company extended payment terms of the Convertible Debenture discussed in note 9. The maturity date of the Convertible Debenture will be extended for an additional two years to January 21, 2024. The Convertible Debenture will accrue annual interest of 5% for each of the additional fourth and fifth years of the Debenture. The conversion price will be amended such that immediately, up to 40% of the principal amount of the Convertible Debenture can be converted into shares of Braveheart at a price of $0.20 per share. After 48 months from the original date of issuance, or January 21, 2023, the balance of the principal amount of the Convertible Debenture can be converted into shares of Braveheart at a price of $0.30 per share. If the restructured Convertible Debenture is fully converted into common shares of Braveheart, an aggregate of 24,000,000 common shares would be issuable. Convertible Debenture holders will be issued an aggregate of 10,000,000 warrants at an exercise price of $0.15 per share and with an expiry date of January 21, 2021.

On April 20, 2020, the Company issued 300,000 common shares as with a fair value estimate of $15,000 as settlement of the last claim in dispute that was assumed with the Purcell acquisition.

Subsequent to February 29, 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause investment market volatility, supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

Exploration drilling operations have effectively been suspended during these restrictions. On April 20, 2020, the Company received a $40,000 interest free loan due December 2022 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $30,000 by the due date will result in $10,000 forgiveness.