ALTAN RIO MINERALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in US dollars)

March 31, 2020
(Unaudited)

Index

Notice of Non-review of Condensed Interim Consolidated Financial Statements

The attached condensed interim consolidated financial statements for the three-month period ended March 31, 2020 have not been reviewed by the Company's auditors.

ALTAN RIO MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020
(Expressed in US Dollars)

		March 31, 2020		December 31, 2019
		(Unaudited)		(Audited)
ASSETS				
Current				
Cash and cash equivalents (Note 4)	$	106,631	$	86,638
Receivables (Note 5)		19,820		19,108
Prepaid expenses and deposits		2,663		3,790
Due from related parties (Note 8)		9,344		2,476
		138,458		112,012
Deposit		6,140		7,030
Exploration and evaluation assets (Note 6)		373,561		276,732
		379,701		283,762
	$	518,159	$	395,774
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities	$	144,397	$	151,083
Advance payable (Note 7)		713,959		567,228
Due to related parties (Note 8)		269,659		393,964
		1,128,015		1,112,275
Non-Current liabilities				
Loan payable (Note 7)		-		155,615
Shareholders' Deficiency				
Share capital (Note 9)		15,916,005		15,580,723
Subscriptions received (Notes 9 and 14)		213,733		238,054
Reserves		892,299		892,299
Deficit		(14,470,849)		(14,438,594)
Accumulated other comprehensive loss		(3,161,044)		(3,144,598)
		(609,856)		(872,116)
	$	518,159	$	395,774

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board July 14, 2020.

"Paul Stephen"	Director	*"John Jones"*	Director
Paul Stephen		John Jones	

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

ALTAN RIO MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(Expressed in US Dollars)
(Unaudited)

		2020		2019
EXPENSES				
Advertising and promotion	$	1,262	$	-
Consulting and management fees (Note 8)		30,786		9,076
Foreign exchange loss (gain)		(24,992)		4,887
Insurance		3,535		-
Interest expense (Note 7)		4,548		-
Office expenses		7,601		1,592
Rent		383		773
Transfer agent and filing fees		2,048		3,945
Travel and entertainment		693		2,599
Wages and benefits		6,393		-
		(32,257)		(22,872)
Finance income		2		-
Net loss for the period		(32,255)		(22,872)
Translation adjustment		(16,446)		(298)
Comprehensive loss for the period	$	(48,701)	$	(23,170)
Basic and diluted loss per common share	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding – basic and diluted		23,243,100		14,853,840

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

ALTAN RIO MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(Expressed in US Dollars)
(Unaudited)

	2020	2019
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	$ (32,255)	$ (22,872)
Items not involving cash:		
Foreign exchange	(36,999)	8,049
Accrued interest	1,008	-
Change in non-cash working capital items:		
Receivables	(2,400)	(374)
Prepaid expenses and deposits	2,017	(113)
Accounts payable and accrued liabilities	1,824	1,587
Due to/from related parties	(114,651)	19,184
Net cash provided by (used in) operating activities	(181,456)	5,461
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets acquisition	(103,599)	(8,196)
Net cash used in investing activities	(103,599)	(8,196)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Loans received	10,533	4,043
Issued capital	97,228	-
Subscriptions received	213,733	-
Net cash provided by financing activities	321,494	4,043
Change in cash and cash equivalents for the period	36,439	1,308
Translation adjustment	(16,446)	(298)
Cash and cash equivalents, beginning of period	86,638	3,974
Cash and cash equivalents, end of period	$ 106,631	$ 4,984
SUPPLEMENTAL CASH FLOW INFORMATION		
Exploration and evaluation assets included in accounts payable	$ -	$ -

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

ALTAN RIO MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Expressed in US Dollars)
(Unaudited)

	Share Capital						
	Number of Shares (i)	Amount	Subscriptions Received	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Deficiency
Balance at December 31, 2018	14,853,840	$ 15,580,723	$ 892,299	$ (14,188,884)	$ (3,147,961)	$ (863,823)	$ (820,157)
Loss for the period	-	-	-	(22,872)	-	(22,872)	(47,529)
Translation adjustment	-	-	-	-	(298)	(298)	3,863
Balance at March 31, 2019	14,853,840	$ 15,580,723	$ 892,299	$ (14,211,756)	$ (3,148,259)	$ (886,993)	$ (863,823)
Balance at December 31, 2019	14,853,840	$ 15,580,723	$ 238,054	$ 892,299	$ (14,438,594)	$ (3,144,598)	$ (872,116)
Private placement (Note 9)	8,389,260	383,759	(238,054)	-	-	-	145,705
Share issuance cost		(48,477)	-	-	-	-	(48,477)
Subscriptions received (Note 9)	-	-	213,733	-	-	-	213,733
Loss for the period	-	-	-	-	(32,255)	-	(32,255)
Translation adjustment	-	-	-	-	-	(16,446)	(16,446)
Balance at March 31, 2020	23,243,100	$ 15,916,005	$ 213,733	$ 892,299	$ (14,470,849)	$ (3,161,044)	$ (609,856)

(i) After effect of share consolidation on a 1 to 6 basis (Note 14)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Altan Rio Minerals Limited (the "Company") is a mineral exploration company listed on the NEX under the symbol "AMO.H" and engaged in the acquisition and exploration of exploration and evaluation assets in Mongolia and Australia.

In accordance with TSX Venture Exchange Policy 2.5, the Company has not maintained the requirements for a TSX Venture Exchange Tier 2 company. Therefore, effective February 28, 2019, the Company's listing was transferred to the NEX, the Company's tier classification was changed from Tier 2 to the NEX, and the filing and service office was changed from Vancouver to the NEX.

The Company's head office and registered and records office address is 1700-666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

On May 5, 2020, the Company completed a consolidation of its common shares on the basis of one post-consolidated share for every six pre-consolidated shares. All current and comparative share capital amounts have been restated to account for the 6:1 share consolidation.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Management is actively targeting sources of additional financing through alliances with financial, development and resource entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration and evaluation programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. As at March 31, 2020, the Company had a working capital deficit of $719,898 (December 31, 2019 - $1,000,263), shareholders' deficiency of $609,856 (December 31, 2019 - $872,116), and accumulated deficit of $14,470,849 (December 31, 2019 - $14,438,594).

These material uncertainties may cast significant doubt as to the ability of the Company to meet its obligations as they come due and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or its ability to raise funds at this time.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured at their fair value. All dollar amounts presented are in US dollars unless otherwise specified. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 14, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation. The Company's subsidiaries are listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Altan Rio Holdings Canada Limited	Canada	100%	Holding company
Altan Rio Holdings Limited	British Virgin Islands	100%	Holding company
Altan Rio Limited	British Virgin Islands	100%	Holding company
GS Minerals Corp. Ltd.	Bermuda	100%	Holding company
BraveHeart Resources LLC	Mongolia	100%	Holding company
Altan Rio Mongolia LLC	Mongolia	100%	Project exploration
Altan Rio Minerals (Aust) Pty Ltd	Australia	100%	Project exploration

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and Altan Rio Holdings Canada Limited is the Canadian dollar. The functional currency of Altan Rio Holdings Limited and Altan Rio Limited is the US dollar, the Australian dollar for Altan Rio Minerals (Aust) Pty Ltd. and the Mongolian Tugrik for Altan Rio Mongolia LLC. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange*. Accordingly, the accounts of the Company, Altan Rio Holdings Canada Limited, Altan Rio Minerals (Aust) Pty Ltd., and Altan Rio Mongolia LLC are translated into US dollars as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the consolidated statement of financial position;
- revenue and expenses are translated at the exchange rate approximating those in effect on the date of the transactions; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income/loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currency translation (cont'd…)

Transactions in currencies other than the entity's functional currency, are recorded at exchange rates prevailing on the dates of the transactions. At period end, monetary assets and liabilities are translated at the rate in effect on the date of the consolidated statement of financial position. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

Use of estimates

Critical Judgments

The preparation of the condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined as disclosed above.

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

At each reporting period, capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. In addition to considerations in accordance with IFRS 6, management also considers the following factors in assessing impairment: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Measurement (cont'd…)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded through profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTOCI, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Change in accounting policies - Leases

The Company adopted IFRS 16 which replaced IAS 17 *Leases* and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. The new standard introduces a single lessee accounting model and requires a lessee 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. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event of a significant changes in circumstance occurs which affects this assessment. IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed. Management expects an increase in depreciation expenses and also an

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Change in accounting policies – Leases (cont'd…)

increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in the consolidated statements of cash flows. The adoption of IFRS 16 did not have a material impact on the Company's consolidated financial statements.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income (loss) per share

Basic income (loss) per share is calculated using the weighted-average number of shares outstanding during the period.

Dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income (loss) per share (cont'd…)

Existing stock options and share purchase warrants have not been included in the computation of diluted income (loss) per share as to do so would be anti-dilutive. Accordingly, basic and diluted income (loss) per share are the same for the periods presented.

Share-based compensation

The Company accounts for stock options granted to directors, officers and employees at the fair value of the options granted. The fair value of options granted is recognized as a share-based payment 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. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured.

Future reclamation costs

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of the Company's exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as finance expense.

The Company currently does not have any significant future reclamation costs.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' deficiency which results from transactions and events from sources other than the Company's shareholders. The Company's and subsidiary's translation of its financial results to United States dollars is the only item currently affecting comprehensive income (loss) for the periods presented.

(Expressed in US Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards issued but not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's condensed interim consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019
Cash on deposit	$ 106,631	$ 85,694
Total	$ 106,631	$ 85,694

5. RECEIVABLES

The Company's receivables are broken down as follows:

	March 31, 2020	December 31, 2019
Advances receivable	$ 158	$ 157
Sales tax receivable	19,662	18,951
Total	$ 19,820	$ 19,108

6. EXPLORATION AND EVALUATION ASSETS

	Chandman-Yol	Southern Cross	TOTAL
Balance, December 31, 2019	**59,848**	**216,884**	**276,732**
Acquisition Costs	-	65,749	65,749
Exploration Costs			
Assays	-	1,446	1,446
Drilling	-	17,555	17,555
Geological Expenses	-		-
Rental	1,122		1,122
Surveys & Geophysics	-	15,860	15,860
Tenement management		1,867	1,867
Professional Fees			
Insurance	-	-	-
Total Costs Incurred During the Year	**1,122**	**102,477**	**103,599**
Foreign Exchange Movements	-	(6,770)	(6,770)
Balance, March 31, 2020	**$ 60,970**	**$ 312,591**	**$ 373,561**
Acquisition Costs	21,722	220,091	241,813
Exploration Costs	39,311	96,888	136,199
Geological Expenses	1,320	-	1,320
Total Costs Incurred During the Period	**62,353**	**316,979**	**379,332**
Foreign Exchange Movements	(1,383)	(4,388)	(5,771)
Balance, March 31, 2020	**$ 60,970**	**$ 312,591**	**$ 373,561**

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge and with the exception of those noted below, title to all of its interests are in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in Mongolia and Western Australia.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

Chandman-Yol, Mongolia

Licenses were issued to Altan Rio Mongolia LLC on April 17, 2009 and April 24, 2009.

Southern Cross Project, Australia

On September 25, 2019, the Company signed a binding terms sheet (the "Agreement") with Surveyor Resources Pty Ltd. ("Surveyor", together with Altan Rio, the "Companies"), a private Australian company, to acquire an 80% interest in Surveyor's wholly owned Southern Cross North Project (the "Project") located in the Southern Cross Greenstone Belt in the Yilgarn Province of Western Australia (the "Transaction") (Note 14).

During the year ended December 31, 2019, the Company made a cash payment of $154,342 (A$222,000) to Surveyor.

During the period ended March 31, 2020, the Company made a cash payment of $65,748.73 (A$100,000) to Surveyor.

7. ADVANCE PAYABLE AND LOAN PAYABLE

Advance payable are amounts received from Verite Trust Company Limited and Monopond Limited, non-related parties, John Jones, a director of the Company and Porter Street Nominees Pty Ltd., a company controlled by a director of the Company (Note 8). There were no specific terms of interest or repayment on these advances and the loans are unsecured.

On September 9, 2019, the Company entered into a loan agreement with Parkwise Corp. Pty. Ltd. ("Parkwise") ATF The AKW Trust for an unsecured credit facility of $155,615 (C$200,000) (the "initial loan"). The loan bears interest at a rate of 12.5%, payable monthly in arrears. The loan shall be repaid in full by March 31, 2021. Subsequent to period end, the Company received an additional loan of $71,979 (C$100,000) (the "additional loan") (Note 14). Parkwise has sole discretion over whether to advance the drawdown.

Subsequent to the period ended March 31, 2020, the Company issued 6,000,000 common share purchase warrants to Parkwise (the "Bonus Warrants"), each Bonus Warrant entitling Parkwise to acquire one common share of the Company (each a "Bonus Warrant Share") (Note 14).

(Expressed in US Dollars)

7. ADVANCE PAYABLE AND LOAN PAYABLE (cont'd…)

December 31, 2018	$	558,625
Additions		164,021
Interest expense		4,008
Interest paid		(4,008)
Foreign exchange movement		197
December 31, 2019	$	722,843
Additions		10,533
Interest expense		4,548
Interest paid		(3,540)
Foreign exchange movement		(20,425)
March 31, 2020		713,959

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) As at March 31, 2020, the amount payable to Evan Jones, director and former President and CEO of the Company was $81,240 (December 31, 2019 - $81,240).

b) Accrued accounting and administration services of $8,836 (2019 - $9,076) to management companies, controlled by an officer of the Company. At March 31, 2020, the amount payable to the companies was $200,396 (December 31, 2019 - $191,560).

c) Paid consulting fees of $21,951 (2019 - $Nil) to a company controlled by the CEO of the Company. At March 31, 2020, the amount payable to the company was $Nil (December 31, 2019 - $62,538).

d) At March 31, 2020, an amount of $55,462 (December 31, 2019 - $53,626) was due to Altan Nevada Minerals Ltd., a company with directors and officers in common.

e) At March 31, 2020, an amount of $9,366 (December 31, 2019 - $2,476) was due from John Jones, a director of the Company.

f) At March 31, 2020, an amount of $5,000 (December 31, 2019 - $5,000) was due to 0809979 B.C. Ltd., a company with a common director.

g) At March 31, 2020, advance payable includes $209,240 (December 31, 2019 - $198,707) owing to John Jones, a director of the Company (Note 7).

h) At March 31, 2020, advance payable includes $3,070 (December 31, 2019 - $3,515) owing to Porter Street Nominees Pty Ltd., a company controlled by a director of the Company (Note 7).

Subsequent to the period ended March 31, 2020, the Company settled $198,707 (C$262,066) in advances payable to related parties and $105,727 (C$139,497) in due to related parties through the issuance of 6,692,709 common shares and 4,367,758 common share purchase warrants at a price of $0.10 per share (Note 14).

These transactions were incurred in the normal course of operations. The payables are non-interest bearing and due on demand.

(Expressed in US Dollars)

8. RELATED PARTY TRANSACTIONS (cont'd…)

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the three months ended March 31, 2020 and 2019 are as follows:

	2020		2019
Management and consulting fees	30,876	$	9,076

9. SHARE CAPITAL

Authorized share capital

There is unlimited number of common and preferred voting shares without nominal or par value.

Subsequent to the period ended March 31, 2020, the Company has consolidated its capital on a one to six basis. All share figures have been retroactively adjusted to reflect the share consolidation (Note 14).

Issued share capital

There were no shares issued during the year ended December 31, 2019.

On February 13, 2020, the Company closed the first tranche of a non-brokered private placement raising gross proceeds of $383,759 (C$503,356) through the sale of 8,389,260 common shares at a price of C$0.06 per share.

During the period ended March 31, 2020, the Company had received share subscriptions of $213,733 in advance of a private placement that had closed subsequent to the period ended March 31, 2020 (Note 14).

Share purchase and agents' warrants

There were no warrants outstanding as of March 31, 2020 and December 31, 2019.

Stock options

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years.

All stock options issued are subject to vesting terms. Options issued to officers and/or consultants might be subjected to a vest term depending on date of grant and nature of service.

(Expressed in US Dollars)

9. SHARE CAPITAL (cont'd…)

	Number of Options	Weighted Average Exercise Price
Outstanding options, December 31, 2017 and 2018	160,834	C$0.72
Expired	(160,834)	C$0.72
Outstanding options, December 31, 2019 and March 31, 2020	-	-

During the year ended December 31, 2019, 160,834 stock options expired unexercised.

10. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of exploration and evaluation assets. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis.

The Company's capital assets are located in the following geographic locations:

	March 31, 2020		December 31, 2019
Exploration and evaluation assets			
Australia	312,591	$	216,884
Mongolia	60,970		59,848
	373,561	$	276,732

Deposit represents an interest-bearing term deposit held as collateral for a corporate credit card.

12. CAPITAL MANAGEMENT

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. In the management of capital, the Company includes components of equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. 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 activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes to the Company's capital management approach during the period ended March 31, 2020. The Company is not subject to any externally imposed requirements.

13. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk of loss and deposit associated with counterparty's inability to fulfil its payment obligations. The Company's cash and cash equivalents are held at a large Canadian financial institution in interest-bearing accounts. The Company has no investment in asset backed commercial paper. The Company's receivables consist mainly of sales tax receivable due from the Government of Canada and due from related parties. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company has cash and cash equivalents of $106,631 (December 31, 2019 - $86,638) to settle current liabilities of $858,356 (December 31, 2019 - $718,311). As disclosed in Note 1, the Company will need to raise additional funds to meet its obligations as they come due. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

a) Interest rate risk
The Company has cash and cash equivalent balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, accounts payables and accrued liabilities, loans payable, and due to/from related parties that are denominated in Canadian dollars, Mongolian Tugrik and Australian dollars.

c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in Australia and Mongolia and is exposed to risk from changes in the Australian dollar, Canadian dollar and the Mongolian Tugrik. A simultaneous 10% fluctuation in the Australian dollar, Canadian dollar and Mongolian Tugrik against the US dollar would affect accumulated other comprehensive loss for the three months ended March 31, 2020 by approximately $7,317 (2019 - $20,618).

14. SUBSEQUENT EVENTS

a) On April 22, 2020, the Company's wholly owned subsidiary Altan Rio Minerals (Aust) Pty. Ltd. ("Altan Rio (Aust)") has entered into a joint venture agreement (the "JVA") with Surveyor to acquire up to an 80% interest in Surveyor's wholly owned Southern Cross North project (the "Project"), located in the Southern Cross greenstone belt in the Yilgarn province of Western Australia, pursuant to the previously disclosed binding term sheet entered into between Altan Rio (Aust) and Surveyor on September 25, 2019.

Key terms are as follows:

Altan Rio (Aust) may acquire an 80% undivided interest in the Project for a total of $4,087,386 (A$6,400,000) (the "Purchase Price") in progress payments over five years (the "Earning Period") on the following terms:

- Payment to Surveyor of $293,781 (A$460,000), payable within three months of executing the JVA (paid $154,342 (A$222,000) during the year ended December 31, 2019);
- Payment to Surveyor of $638,654 (A$1,000,000), payable in a combination of cash and common shares of the Company, so long as the cash payment is at least $319,327 (A$500,000) (the "Second Payment"). The Second Payment is due on or before the one-year anniversary of the execution of the JVA. The common shares, if any, included in the Second Payment are to be issued at the lower of C$0.05 per Share and the last price at which the Company issued common prior to the Second Payment.
- The balance of the Purchase Price will be spent by Altan Rio (Aust) on exploration of the Project (the "Earn-in Obligation").
- During the earning period, Surveyor will grant Altan Rio (Aust) the sole and exclusive right to access and explore the Project. Altan Rio (Aust), as manager of the joint venture between the companies, will determine the nature and content of the exploration program and budget during the earn-in period.
- During the earn-in period, Altan Rio (Aust) has the right, but is not under any obligation, to undertake, incur and satisfy the earn-in obligation in carrying out exploration on the project.

b) On April 30, 2020, the Company closed the second and final tranche of a non-brokered private placement raising gross proceeds of $215,672 (C$300,000) through the sale of 5,000,000 common shares at a price of C$0.06 per share.

c) On May 19, 2020, Parkwise has advanced the Company an additional loan of $71,979 (C$100,000) (the "additional loan"). In connection with the loans, the Company issued 6,000,000 share purchase warrants to Parkwise (the "Bonus Warrants"), each Bonus Warrant entitling Parkwise to acquire one common share of the Company (each a "Bonus Warrant Share") on the following terms and conditions:

- in connection with the Initial Loan, 4,000,000 Bonus Warrants, each such warrant entitling Parkwise to acquire one Bonus Warrant Share at a price of C$0.06 per share until November 19, 2021; and
- in connection with the Additional Loan, 2,000,000 Bonus Warrants, each such warrant entitling Parkwise to acquire one Bonus Warrant Share at a price of C$0.05 per share until March 31, 2021.

d) On May 25, 2020, the Company settled $650,222 (C$857,795) in advances payable and due to related parties through the issuance of 14,296,580 common shares at a deemed price of C$0.06 per share and 11,971,629 common share purchase warrants, each warrant entitling the holder thereof to acquire one common share for C$0.10 per share for a period of one year, of which 6,692,709 common shares and 4,367,758 common share purchase warrants were issued to directors of the Company.

14. SUBSEQUENT EVENTS (cont'd…)

e) On June 23, 2020, the Company entered into an exploration and mining agreement with Tianye SXO Gold Mining Pty. Ltd. over the historical Pilot gold deposit in Western Australia. Tianye is a significant tenement holder in the Southern Cross greenstone belt in Western Australia, and is also the owner and operator of the Marvel Loch gold processing facility, 35 kilometres south of Southern Cross town site. Altan Rio's Southern Cross North project covers about 28 kilometres of the gold-rich Frasers Corinthian shear zone in the Southern Cross greenstone belt. Tianye's tenement M77/1049 is excised from Altan Rio's tenement holdings.

Key terms of the agreement are as follows:

- Defined area of mutual interest (AMI) incorporating M77/1049 and equivalent or greater part of the surrounding tenement, Altan Rio's P77/4341;
- The established AMI is for the purpose of exploration, development and exploitation of gold resources;
- The agreement will run for a period of five years, and, if agreed by both parties, it may be extended for an additional two years;
- Altan to meet all costs associated with exploration, development and mining activities, at its sole discretion with no minimum expenditures required, with such costs, if any, to be recovered from future mining and processing operations;
- Altan and Tianye will share on a 50:50 basis net profits, if any, from operations under the agreement (after full cost recovery by Altan Rio);
- During the term of the agreement, any gold-mineralized material mined from the AMI will be processed at the Marvel Loch facility pursuant to a toll milling agreement agreed to between the parties (subject to the Marvel Loch facility, at all reasonable times, being able to process the gold-mineralized material in accordance with such toll milling agreement).

f) On June 26, 2020, the Company granted an aggregate of 4,200,000 stock options to certain directors, officers and consultants of the Company, in accordance with the Company's current stock option plan. Each option is exercisable to acquire one common share of the Company at a price of $0.09 per share. The options have a four-year term and expire on June 26, 2025. The options vested immediately on the date of grant.