

Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

AFTERMATH SILVER LTD.
(An Exploration Stage Company)

Nine months ended February 29, 2020 and 2019

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	February 29, 2020	May 31, 2019
Assets		
Current assets:		
Cash	\$ 1,925,079	\$ 43,323
Receivables	50,784	6,622
Prepaid expenses and advances	146,657	602
	2,122,520	50,547
Mineral properties (notes 4 and 5)	3,448,303	-
Deferred costs (notes 4, 5 and 9)	-	46,677
	\$ 5,570,823	\$ 97,224
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 643,226	\$ 358,745
Due to related parties (note 8)	21,773	291,886
Due to investors (note 4)	189,720	-
Current portion of convertible debt (note 6)	402,471	-
	1,257,190	650,631
Convertible debt (note 6)	560,837	-
	1,818,027	650,631
Shareholders' deficiency:		
Share capital (note 7)	12,194,446	6,495,478
Subscriptions received in advance (note 7)	-	89,040
Share-based payments reserve (note 7(d))	1,513,388	708,430
Equity component of convertible debt (note 6)	149,280	-
Cumulative translation adjustment	(293,069)	-
Deficit	(10,360,300)	(7,846,355)
	3,203,745	(553,407)
Non-controlling interest (note 4)	549,051	-
	3,752,796	(553,407)
	\$ 5,570,823	\$ 97,224

Nature of operations and going concern (note 1)

See accompanying notes to condensed consolidated interim financial statements.

Approved on behalf of the Board:

"David Terry" Director

"Michael J. Williams" Director

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	Feb 29, 2020	Feb 28, 2019	Feb 29, 2020	Feb 28, 2019
Expenses:				
Accounting and legal (note 8)	\$ 85,625	\$ 19,078	\$ 126,771	\$ 56,156
Accretion expense	28,331	-	37,588	-
Conference and exhibition	36,204	-	78,149	-
Consulting (note 8)	71,924	45,000	209,791	135,000
Corporate secretarial (note 8)	6,000	3,750	17,250	11,250
Directors' fees (note 8)	9,000	9,000	27,000	18,000
Foreign exchange	7,179	(404)	11,568	2,793
Geological exploration (note 5)	144,905	-	507,741	-
Insurance	3,042	-	3,042	-
Investor relations	147,769	-	484,798	11,824
Listing and filing fees	29,176	3,762	46,567	10,524
Office and sundry (note 8)	37,208	19,343	67,767	45,482
Property investigation (note 4)	-	-	13,662	51,547
Share-based payments (notes 5(d) and 6)	804,958	-	804,958	-
Travel and meals	72,397	16,559	107,448	105,925
	(1,483,718)	(116,088)	(2,544,100)	(448,501)
Gain on recovery of accounts payable	-	-	22,233	-
Loss for the period	\$ (1,483,718)	\$ (116,088)	\$ (2,521,867)	\$ (448,501)
Other comprehensive loss:				
Foreign currency translation adjustment (note 4)	73,941	-	(293,069)	-
Comprehensive loss for the period	\$ (1,409,777)	\$ (116,088)	\$ (2,814,936)	\$ (448,501)
Loss attributable to:				
Owners of the parent	(1,476,870)	(116,088)	(2,513,945)	(448,501)
Non-controlling interest	(6,848)	-	(7,922)	-
	(1,483,718)	(116,088)	(2,521,867)	(448,501)
Loss per share - basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.05)	\$ (0.02)
Weighted average number of shares outstanding	77,314,419	27,787,384	48,879,254	27,787,384

See accompanying notes to condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian dollars)

	Attributable to owners of the parent										Non-controlling interest	Total deficiency
	Number of shares	Share capital	Subscriptions received in advance	Share-based payments reserve	Equity component of convertible debt	Foreign currency translation reserve	Deficit	Total				
May 31, 2018	27,787,371	\$ 6,495,964	\$ -	\$ 708,430	\$ -	\$ -	\$ (7,275,692)	\$ (71,298)	\$ -	\$ (71,298)		
Share issuance costs	-	(486)	-	-	-	-	-	(486)	-	(486)	-	(486)
Subscriptions received in advance	-	-	52,000	-	-	-	-	52,000	-	52,000	-	52,000
Loss for the period	-	-	-	-	-	-	(448,501)	(448,501)	-	(448,501)	-	(448,501)
February 28, 2019	27,787,371	6,495,478	52,000	708,430	-	-	(7,724,193)	(468,285)	-	(468,285)	-	(468,285)
Subscriptions received in advance	-	-	37,040	-	-	-	-	37,040	-	37,040	-	37,040
Loss for the period	-	-	-	-	-	-	(122,162)	(122,162)	-	(122,162)	-	(122,162)
May 31, 2019	27,787,371	6,495,478	89,040	708,430	-	-	(7,846,355)	(553,407)	-	(553,407)	-	(553,407)
Private placement shares issued	48,485,462	5,858,837	(89,040)	-	-	-	-	5,769,797	-	5,769,797	-	5,769,797
Finders shares issued	1,041,586	291,644	-	-	-	-	-	291,644	-	291,644	-	291,644
Share issuance costs	-	(451,513)	-	-	-	-	-	(451,513)	-	(451,513)	-	(451,513)
Acquisition of Minera Cachinal	-	-	-	-	-	-	-	-	556,973	-	556,973	-
Issuance of convertible debt	-	-	-	-	149,280	-	-	149,280	-	149,280	-	149,280
Loss for the period	-	-	-	-	-	(293,069)	(2,513,945)	(2,807,014)	(7,922)	(2,814,936)	(7,922)	(2,814,936)
February 29, 2020	77,314,419	\$ 12,194,446	\$ -	\$ 1,513,388	\$ 149,280	\$ (293,069)	\$ (10,360,300)	\$ 3,203,745	\$ 549,051	\$ 3,752,796		

See accompanying notes to condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	Feb 29, 2020	Feb 28, 2019
Cash flows from operating activities:		
Loss for the period	\$ (2,521,867)	\$ (448,501)
Items not affected by cash:		
Share-based payments	804,958	-
Gain on recovery of accounts payable	22,233	-
Accretion expense	37,588	-
	(1,657,088)	(448,501)
Changes in non-cash working capital:		
Accounts receivable	(24,126)	(6,096)
Prepaid expenses	(146,055)	35,066
Accounts payable and accrued liabilities	186,428	(11,641)
Due to related parties	(270,113)	147,890
Cash used in operating activities	(1,910,954)	(283,282)
Cash flows from investing activities:		
Funding of Cachinal prior to acquisition	(82,331)	-
Acquisition of Cachinal	(640,021)	-
Funding of Cachinal subsequent to acquisition	(89,181)	-
Deferred costs for mineral property acquisition	(1,082,501)	-
Cash used in investing activities	(1,894,034)	-
Cash flows from financing activities:		
Common shares issued for cash	5,749,797	-
Share issuance costs	(159,869)	(486)
Subscriptions received in advance	-	52,500
Loan from related party	11,970	-
Cash provided from financing activities	5,601,898	52,014
Change in cash	1,796,910	(231,268)
Effect of exchange rate changes on cash	84,846	-
Cash, beginning of period	43,323	232,902
Cash, end of period	\$ 1,925,079	\$ 1,634
Supplemental schedule of non-cash investing and financing activities:		
Deferred costs in accounts payable and accrued liabilities	\$ (46,677)	\$ -
Issuance of common shares for finders fees	\$ 291,644	\$ -
Acquisition costs in accounts payable	\$ 62,000	\$ -

See accompanying notes to condensed consolidated interim financial statements.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

1. Nature of operations and going concern:

Aftermath Silver Ltd. (“the Company” or “Aftermath”) was incorporated under the laws of British Columbia on January 27, 2011. Its principal business activity is the acquisition, exploration and development of mineral properties. The Company’s shares are currently traded on the TSX Venture Exchange (“TSX-V”) under the symbol AAG and on the OTCQB under the symbol AAGFF. The Company’s registered and records address is: Suite 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company is in the exploration stage and engages principally in the acquisition and exploration of mineral properties. The recoverability of the amounts shown for mineral properties is ultimately dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, obtaining necessary financing to explore and develop the mineral properties, entering into agreements with others to explore and develop the mineral properties, and upon future profitable production or proceeds from disposition of the mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The Company has no operating revenue and has a history of losses. As at February 29, 2020, the Company has a net working capital of \$865,330. During the nine months ended February 29, 2020, the Company completed financings totaling \$5,858,837 in gross proceeds (note 6). Management has forecasted that the Company’s current working capital will be sufficient to execute its planned expenditures for the coming year.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations.

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, 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 ability to raise funds.

These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies:

(a) Basis of presentation:

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

2. Significant accounting policies (continued):

(a) Basis of presentation (continued):

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on April 28, 2020.

(b) Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company, its 80% subsidiary Minera Cachinal S.A. (note 4), and its wholly owned inactive subsidiary, Minera ISP S. R.L. de C.V. Intercompany balances and transactions, including any unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

(c) Significant accounting estimates and judgments:

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. The Company reviews its estimates and assumptions regularly; however, actual results could differ from those estimates. Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 1, the determination of functional currency of subsidiary entities, and the value of deferred costs.

Significant accounting estimates are used in the valuation of deferred income taxes. Key estimates made by management with respect to these areas have been described in the notes to these financial statements as appropriate.

(d) Foreign currency transactions:

The presentation currency of the Company is the Canadian dollar. The functional currency of the Company is the Canadian dollar and the functional currency of Minera Cachinal is the Chilean peso. Transactions of the Company denominated in other currencies are translated into the relevant functional currency using the exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rates prevailing at that date and the related foreign exchange gains or losses are recognized in profit or loss.

3. New and revised standards and interpretations:

Accounting policies used in the preparation of these financial statements are consistent with those described in the Company's audited annual financial statements for the year ended May 31, 2019, except for the following change to IFRS, which were adopted as at June 1, 2019:

IFRS 16, Leases: This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company did not have any leases as at February 29, 2020, therefore the adoption of IFRS 16 did not have a material impact on the Company's condensed interim financial statements.

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

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Notes to Condensed Consolidated Interim Financial Statements
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Nine months ended February 29, 2020 and 2019

4. Acquisition of Minera Cachinal

On October 30, 2019, the Company completed the acquisition (“Minera Cachinal Acquisition”) of an 80% ownership stake in the Cachinal De La Sierra silver-gold project (the “Cachinal property”) through the acquisition of an 80% ownership in Minera Cachinal S.A. (“Minera Cachinal”) from Halo Labs Inc. (“Halo”). In consideration for 80% ownership of Minera Cachinal, the Company will pay Halo a total of \$1,575,000 cash, consisting of \$250,000 in cash on October 30, 2019 (paid), \$250,000 in cash on or before April 30, 2020 (paid), \$525,000 in cash on or before October 30, 2020, and \$550,000 in cash on or before April 30, 2021, and assume certain debts. At any time, Halo will have the right to convert any remaining unpaid purchase price into common shares of the Company at a price of \$0.20 per share (note 6). The remaining 20% of Minera Cachinal SA is held by SSR Mining Inc.

During the nine months ended February 29, 2020, the Company reimbursed Minera Cachinal, SA, for certain costs to maintain its properties in good standing in the amount of \$171,512 (including \$82,331 prior to acquisition).

The Company has agreed to pay a cash finder’s fee of \$107,000 (paid \$45,000). As at February 29, 2020, the Company had also incurred \$95,170 in transaction costs, of which \$21,079 had been deferred at May 31, 2019.

Minera Cachinal is not considered to be a business under IFRS 3 *Business Combinations*; accordingly, the Minera Cachinal Acquisition is accounted for as an asset acquisition.

Consideration:	
Cash	\$ 1,575,000
Transaction costs	<u>202,170</u>
	<u>1,777,170</u>
Net assets of Minera Cachinal acquired:	
Cash and other current assets	189
Exploration and evaluation assets	2,612,147
Accounts payable and accrued liabilities	(63,968)
Due to investors	(214,226)
Non-controlling interest	<u>(556,973)</u>
Total net assets acquired	<u>1,777,170</u>

The Company has recognized a foreign currency translation adjustment of \$293,069 in other comprehensive loss as a result of translating Minera Cachinal’s records from the Chilean peso to Canadian dollars.

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Nine months ended February 29, 2020 and 2019

5. Mineral properties:

The Company incurred the following exploration expenditures during the nine months ended February 29, 2020:

Nine months ended February 29, 2020	Chile		Chile		Chile		Total
	Cachinal		Challacollo		General Exploration		
Drilling	\$ 12,152	\$	-	\$	-	\$	12,152
Field supplies and equipment	2,052		-		-		2,052
Geological consulting	117,880		24,000		1,200		143,080
Legal	58,255		243,766		-		302,021
Maps, orthophotos, reports	27,700		13,980		6,756		48,436
Total for the period	\$ 218,039	\$	281,746	\$	7,956	\$	507,741

Challacollo Property Acquisition

On November 8, 2019, the Company entered into a share purchase agreement with Mandalay Resources Corp. ("Mandalay"), pursuant to which the Company will acquire Minera Mandalay Challacollo Limitada ("MMC"), which owns the Challacollo silver-gold project in Chile.

In consideration, the Company will pay Mandalay a total of \$10,500,000, consisting of \$1,000,000 in cash on or before July 31, 2020 (paid), \$1,000,000 in cash on or before December 30, 2020, a final payment of \$5,500,000 (of which up to \$2,750,000 may be paid in shares at Mandalay's option) on or before April 30, 2021, and a net smelter royalty of \$3,000,000. The Company may elect, at an additional cost of \$500,000, to vary the final payment of \$5,500,000 such that \$3,000,000 (of which up to \$1,500,000 may be paid in shares at the Company's option) is due on or before April 30, 2021, and \$3,000,000 (of which up to \$1,500,000 may be paid in shares at the Company's option), including the aforementioned additional cost of \$500,000, is due on or before April 30, 2022. The cumulative share issuances pursuant to the agreement may not exceed 49% of the Company's issued and outstanding shares.

Ownership in MMC will not transfer until such time the Company has completed its payments. If the Company fails to make its payments under the agreement, Mandalay will retain 100% ownership of MMC.

The Company has agreed to pay a finder's fee of \$407,500 (paid \$82,500). As at February 29, 2020, the Company has also incurred \$91,211 in transaction costs, of which \$24,183 had been deferred at May 31, 2019.

6. Convertible debt:

On October 30, 2019, the Company completed the Minera Cachinal Acquisition (note 4). In connection with the transaction, Halo will have the right to convert any remaining unpaid purchase price of \$1,075,000 into common shares of the Company at a price of \$0.20 per share. Accordingly, the unpaid purchase price of \$1,075,000 has been determined to be a convertible debenture, payable as follows: \$525,000 on or before October 30, 2020 and \$550,000 on or before April 30, 2021. The convertible debenture does not bear any interest. The conversion feature was valued at a discount rate of 12% which is the borrowing rate achievable by the Company for non-convertible instruments.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

6. Convertible debt (continued):

Convertible Debt	
Net convertible debt payable, May 31, 2019	\$ -
Issuance of convertible debt	1,075,000
Conversion feature	(149,280)
Accretion expense	37,588
Net convertible debt payable, February 29, 2020	\$ 963,308
Current portion (less than one year)	\$ 402,471
Long-term portion	\$ 560,837
Equity component of convertible debt	\$ 149,280

7. Share capital:

(a) Authorized share capital:

Unlimited number of voting common shares without par value.

(b) Issued share capital:

On October 30, 2019, the Company closed a previously-announced non-brokered financing of 31,985,462 units at \$0.08 per unit for total gross proceeds of \$2,558,837. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of \$0.12 per share for a period of 3 years. In connection with the financing, the Company paid \$83,400 in finders' fees and \$30,311 in other transaction costs.

On November 14, 2019, the Company closed a previously-announced non-brokered financing of 16,500,000 units at \$0.20 per unit for total gross proceeds of \$3,300,000, of which \$20,000 remains receivable at February 29, 2020. Each unit comprises one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of \$0.25 per share for a period of 3 years. In connection with the financing, the Company issued 1,041,586 finders' shares valued at \$291,644, paid \$8,000 in finders' fees and \$38,158 in other transaction costs.

The Company did not complete any share issuances during the year ended May 31, 2019.

(c) Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2018 and 2019	-	\$ -
Granted	<u>24,763,525</u>	<u>0.17</u>
Balance, February 29, 2020	<u>24,763,525</u>	<u>\$ 0.17</u>

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Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

7. Share capital (continued):

(c) Warrants (continued):

At February 29, 2020, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
15,992,732 *	\$0.12	October 30, 2022
<u>8,770,793</u>	\$0.25	November 14, 2022
<u>24,763,525</u>		

* Subsequent to February 29, 2020, 1,076,250 warrants were exercised for gross proceeds of \$129,150.

(d) Stock options:

The Board of Directors may grant options to purchase shares from time to time, subject to the aggregate number of common shares of the Company issuable under all outstanding stock options of the Company not exceeding 10% of the issued and outstanding common shares of the Company at the time of the grant.

The options are exercisable over periods of up to ten years to buy shares of the Company at a price not less than the closing market price prevailing on the date the option is granted, less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. All option issuances vest over 12 months.

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 31, 2018	225,000	\$ 1.74
Cancelled	<u>(225,000)</u>	<u>1.74</u>
Balance, May 31, 2019	-	\$ -
Granted	<u>5,950,000</u>	<u>0.335</u>
Balance, February 29, 2020	\$ 5,950,000	\$ 0.335

On September 17, 2018, the Company cancelled 47,500 stock options exercisable at \$2.65 until July 19, 2021, and 177,500 stock options exercisable at \$1.50 until April 30, 2019.

At February 29, 2020, stock options were outstanding enabling holders to acquire common shares as follows:

Number of Stock Options	Exercise Price	Expiry Date
5,950,000	\$0.335	December 11, 2024

(e) Share-based payments:

During the nine months ended February 29, 2020, the Company granted a total of 5,950,000 (2019 – nil) stock options with a weighted average fair value of \$0.25 per option (2019 – \$nil). The Company recognized share-based payments expense of options granted and vesting of \$804,958 (2019 - \$nil).

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Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

7. Share capital (continued):

(e) Share-based payments (continued):

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted:

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
Risk-free interest rate	1.61%	N/A
Expected life of option	2.5 years	N/A
Expected annualized volatility	136.37%	N/A
Dividend	-	N/A

8. Related party balances and transactions:

Key management personnel consist of directors and senior management including the Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, and Corporate Secretary.

During the nine months ended February 29, 2020 and 2019, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
Accounting and legal	\$ 36,500	\$ 31,500
Consulting	137,500	135,000
Corporate secretarial	17,250	11,250
Directors fees	27,000	18,000
Share-based payments	551,121	-

In addition, payments to companies with common directors and officers for rent, office, and administration totaled \$36,548 (2019 - \$32,414).

As at February 29, 2020, due to related parties included \$21,773 (May 31, 2019 - \$291,886) due to key management personnel. As at February 29, 2020, the Company has recorded \$13,125 (May 31, 2019 - \$nil) in prepaid expenses and advances to related parties.

9. Financial instruments:

The Company's cash is classified at level one of the fair value hierarchy. The carrying values of receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

9. Financial instruments (continued):

(a) Financial instrument risk exposure and risk management:

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. There is minimal credit risk with respect to GST receivable as this amount is recoverable from Canadian governmental agencies. At February 29, 2020, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company is exposed to liquidity risk and manages it through the management of its capital structure, as outlined in note 9(b) of these condensed consolidated interim financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing financial assets as at February 29, 2020.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity.

The Company's main risks are associated with fluctuations in the US dollar ("US"), the Chilean peso ("CLP"), and the Mexican peso ("MXN"), and assets and liabilities are translated based on the foreign currency translated method described in note 2(d). The Company does not enter into any foreign exchange hedging contracts. As at February 29, 2020, the Company had foreign current assets totaling approximately CLP9,186,810 and amounts payable totaling approximately US\$212,896, CLP11,198,898, and MXN263,984. The Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar on these instruments, as at February 29, 2020, would result in a \$30,713 change to profit or loss for the period.

(b) Capital management:

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's exploration and evaluation of its resource properties and support any expansion plans. The capital of the Company consists of the items included in shareholders' deficiency.

AFTERMATH SILVER LTD.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Nine months ended February 29, 2020 and 2019

9. Financial instruments (continued):

(b) Capital management (continued):

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its financial objectives. Notwithstanding the risks described in note 1 of the condensed consolidated interim financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

10. Segmented information:

The Company operates in one segment being the acquisition and exploration of mineral properties. Geographical information can be found in notes 4 and 5.