STEPPE GOLD
Precious Metals Company

Condensed Interim Consolidated Financial Statements

Three and Nine months ended September 30, 2020 and 2019

(Expressed in US Dollars)
(Unaudited)

STEPPE GOLD LTD.
Condensed Interim Consolidated Statements of Financial Position
(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)
(Unaudited)

	Notes	September 30, 2020	December 31, 2019
ASSETS			**(Audited)**
Current assets			
Cash		**20,946**	671
Receivables and other assets	**3**	**1,656**	1,148
Inventories	**4**	**8,226**	8,356
Total current assets		**30,828**	10,175
Long-term assets			
Restricted cash	**13**	**12,436**	-
Uudam Khundii Project	**5**	**1,900**	1,992
Property, plant and equipment under construction	**6**	**38,900**	41,276
Deferred tax	**7**	**690**	-
Total long-term assets		**53,926**	43,268
Total assets		**84,754**	53,443
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Amounts payable and other liabilities	**8**	**4,720**	5,695
Current portion of streaming arrangement	**10**	**8,535**	10,396
Lease liability	**11**	**295**	399
Purchase price payable	**5**	**-**	350
Convertible debentures – derivative	**12**	**5,808**	5,508
Current portion of long term loan	**13**	**3,542**	-
Total current liabilities		**22,900**	22,348
Long-term liabilities			
Long term portion of streaming arrangement	**10**	**13,457**	15,390
Asset retirement obligation	**9**	**908**	271
Lease liability	**11**	**68**	177
Convertible debentures – loan liability	**12**	**2,103**	4,186
Long term loan	**13**	**7,026**	-
Total long-term liabilities		**23,562**	20,024
Total liabilities		**46,462**	42,372
Shareholders' equity			
Share capital	**14**	**54,710**	22,539
Warrants	**15**	**11,165**	13,655
Contributed surplus		**9,698**	3,780
Non-controlling interest		**(164)**	(112)
Accumulated other comprehensive loss		**(6,655)**	(5,372)
Deficit		**(30,462)**	(23,419)
Total shareholders' equity		**38,292**	11,071
Total liabilities and shareholders' equity		**84,754**	53,443

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

Nature of operations (Note 1)

Approved on behalf of the Board:

(Signed) "Matthew Wood", Director   (Signed) "Batjargal Zamba", Director

STEPPE GOLD LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive loss
(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)
(Unaudited)

		Three Months Ended September 30		Nine Months Ended September 30	
	Notes	**2020**	**2019**	**2020**	**2019**
Revenue	**17**	**19,360**	**-**	**38,880**	**-**
Cost of sales					
Production cost	**18**	(5,194)	-	(11,804)	-
Depletion and depreciation		(1,403)	-	(2,985)	-
Royalties		(1,439)	-	(2,874)	-
Profit from mine operations		**11,324**	**-**	**21,217**	**-**
Exploration and evaluation expenditures	**16**	(1,700)	(11)	(1,708)	(14)
Corporate administration	**19**	(3,506)	(1,364)	(6,064)	(3,500)
Operating profit/(loss)		**6,118**	**(1,375)**	**13,445**	**(3,514)**
Finance costs	**21**	(10,379)	(2,691)	(20,764)	(2,776)
Foreign exchange gain/(loss)		727	(618)	(476)	(516)
Net loss before tax		**(3,534)**	**(4,684)**	**(7,795)**	**(6,806)**
Income tax recovery		2,653	-	700	-
Net loss after tax		**(881)**	**(4,684)**	**(7,095)**	**(6,806)**
Cumulative translation adjustment		(990)	379	(1,283)	911
Net loss and comprehensive loss		**(1,871)**	**(4,305)**	**(8,378)**	**(5,895)**
Net loss attributable to shareholders of the Company		(841)	(4,681)	(7,043)	(6,791)
Net loss attributable to non-controlling interest		(40)	(3)	(52)	(15)
		(881)	**(4,684)**	**(7,095)**	**(6,806)**
Net loss and comprehensive loss attributable to shareholders of the Company		(1,831)	(4,302)	(8,326)	(5,880)
Net loss and comprehensive loss attributable to non-controlling interest		(40)	(3)	(52)	(15)
		(1,871)	**(4,305)**	**(8,378)**	**(5,895)**
Basic and diluted net loss and comprehensive loss per common share		- (0.01)	- (0.11)	- (0.14)	- (0.16)
Weighted average number of common shares outstanding - basic and diluted	**22**	60,224,528	41,576,189	51,852,496	41,576,189

STEPPE GOLD LTD.
Condensed Interim Consolidated Statements of Cash Flows
(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)
(Unaudited)

	Notes	September 30, 2020	September 30, 2019
Operating activities			
Net loss for the period		(7,095)	(6,806)
Adjustments for non-cash items:		-	
Change in the fair value of derivative	**12**	17,953	1,712
Accretion and financing costs		2,811	807
Depreciation	**6**	2,985	122
Stock based compensation	**20**	708	675
Unrealized foreign exchange loss/ (gain)		500	(645)
Drawdown of gold and silver stream	**10**	(4,759)	-
Changes in working capital items:		-	
Inventories		928	(4,318)
Receivables and other assets		(508)	(283)
Amounts payable and other liabilities		(1,243)	3,278
Deferred tax		(690)	-
Net generated by (used in) operations		**11,590**	**(5,458)**
Investing activities			
Acquisition of property, plant and equipment		(2,173)	(5,634)
Net cash used in investing activities		**(2,173)**	**(5,634)**
Financing activities			
Proceeds from the issuance of convertible debentures	**12**	3,000	7,840
Proceed from long term loan	**13**	10,510	-
Interest paid on convertible debentures	**12**	(558)	-
Convertible debenture issuance costs	**12**	(180)	(354)
Proceeds from equity financing	**14**	11,103	-
Proceeds from stream financing	**10**	-	5,000
Change in restricted cash		(12,436)	-
Repayment of purchase price payable	**5**	(350)	-
Repayment of Promissory note		-	(5,000)
Lease obligation payments	**11**	(308)	-
Net cash generated from financing activities		**10,781**	**7,486**
Effect of exchange rate changes on cash held in foreign currency		77	(20)
Net increase/(decrease) in cash		**20,275**	**(3,626)**
Cash, beginning of period		671	7,016
Cash, end of period		**20,946**	**3,390**

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

STEPPE GOLD LTD.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended September 30, 2020
(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)
(Unaudited)

	Notes	Number of shares	Share capital	Shares to be issued	Contributed surplus	Warrants	Non-controlling interest Corundum	Accumulated other comprehensive loss	Deficit	Total equity
			$	$	$	$	$	$	$	$
Balance as at December 31, 2018		41,540,895	20,421	647	3,296	13,655	(88)	(3,111)	(18,209)	16,611
Shares issued from exercise of RSUs		35,294	23	-	-	-	-	-	-	23
Stock based compensation		-	-	-	800	-	-	-	-	800
Comprehensive loss for the period		-	-	-	-	-	(15)	911	(6,791)	(5,895)
Balance as at September 30, 2019		**41,576,189**	**20,444**	**647**	**4,096**	**13,655**	**(103)**	**(2,200)**	**(25,000)**	**11,539**
Balance as at December 31, 2019		**45,198,411**	**22,539**	**-**	**3,780**	**13,655**	**(112)**	**(5,372)**	**(23,419)**	**11,071**
Shares issued from exercise of RSU's	**14**	35,294	23	-	-	-	-	-	-	23
Equity financing	**14**	7,371,944	8,231	-	-	2,872	-	-	-	11,103
Convertible debt converted into shares	**14**	16,230,756	23,917	-	-	-	-	-	-	23,917
Stock based compensation	**20**	-	-	-	556	-	-	-	-	556
Comprehensive loss for the period		-	-	-	-	-	(52)	(1,283)	(7,043)	(8,378)
Expiry of warrants		-	-	-	5,362	(5,362)	-	-	-	-
Balance as at September 30, 2020		**68,836,405**	**54,710**	**-**	**9,698**	**11,165**	**(164)**	**(6,655)**	**(30,462)**	**38,292**

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

1. Nature of operations

Steppe Gold Ltd. (the "Company" or "Steppe") was incorporated under the laws of the Ontario Business Corporations Act by Articles of Incorporation dated October 5, 2016. The Company is domiciled in Canada and its registered office is located at 18 King East, Suite 902, Toronto, Ontario, M5C 1C4. The Company is focused on operating, developing, exploring and acquiring precious metal projects in Mongolia.

On September 15, 2017, the Company completed the acquisition of the Altan Tsagaan Ovoo Property (the "ATO Project" or "ATO Mine"), located in Eastern Mongolia, from Centerra Gold Mongolia LLC, for aggregate consideration of $19.8 million plus $1.98 million in value added tax (the "ATO Acquisition"). The transaction has been accounted for as an asset acquisition.

In the second quarter of 2020 the Company achieved commercial production at the ATO Mine, with all operations and facilities running to plan and all relevant metrics met.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going concern basis.

The COVID-19 pandemic has not resulted in any material impact to the Company's operations and the Company currently does not expect an impact to its remaining 2020 production. However, the Company has experienced ongoing minor adverse impacts to operations and the supply chain. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the interim reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

Statement of compliance

The Company applies international Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements and advise readers of these unaudited condensed interim consolidated financial statements to review the audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2019 in conjunction with the review of these unaudited condensed interim consolidated financial statements. These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 13, 2020.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited annual consolidated financial statements as at and for the year ended December 31, 2019 other than as noted below.

Commercial Production

During the second quarter ended June 30, 2020 the Company determined commercial production was achieved for the ATO Mine. As a result, comparative figures for the nine months ended September 30, 2019 shown in the condensed interim consolidated statements of loss and comprehensive loss have been adjusted to align with the revised presentation. Prior to the commencement of commercial production, production costs were capitalized within construction in progress.

2. Significant accounting policies

Accounting policies
Revenue recognition

Revenue is generated from the sale of gold and silver. The Company produces doré which contains gold and silver. The doré bars are analysed by the Mongolian Agency for Standardization And Metrology ("MASM") which determines the gold and silver content to be sold to the customer, usually a commercial bank in Mongolia. There are no export sales. The performance obligation for revenue is recognized when control over the metal is transferred to the customer. Control is achieved when the gold or silver bars are delivered to the customer's gold vault. Revenue is presented, where applicable, after taking account of settlement of the streaming arrangement with Triple Flag Mining Bermuda (note 10).

Inventory

Due to the commencement of commercial production the Company revised the accounting policy on inventory to include gold in circuit and finished gold.

Inventories include ore stockpiles, gold in circuit, finished goods (doré bars including gold and silver) and supplies inventory. Ore stockpiles, heap leach ore or finished goods inventory are valued at the lower of weighted average production cost or net realizable value based on estimated metal content.

The Company allocates direct and indirect production costs to gold on a systematic and rational basis. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion of mineral properties, plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert inventories into saleable form and estimated costs to sell.

Gold in circuit inventory represents ore on the surface that has been extracted from the mine and is available for further processing. When ore is placed on the heap leach pad, an estimate of recoverable ounces is made based on tonnage, ore grade and estimated recoveries of ore that was placed on the heap leach pad. The estimated recoverable ounces on the heap leach pad are used to determine inventory cost. The estimated recoverable ounces carried on the heap leach pad are adjusted based on recoveries estimated in the feasibility study.

Finished gold inventory represents gold and silver ounces located at the mine and bars still under assay at the MASM. Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value.

Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

Critical accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the condensed interim consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Warrant and stock option valuation

The fair value is measured at the grant date and at each reporting period for such items that are classified as derivatives. The fair value of the warrants and stock options are measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the warrants and stock options were issued. The model values the warrants and stock options by inputting the share price, exercise price, expected life, volatility rate, dividend rate and discount rate into a mathematical model.

2. Significant accounting policies

Restricted share units valuation

The fair value of the restricted share units ("RSUs") is measured using the share price on the valuation date taking into account the terms and conditions upon which the restricted share units were issued. RSUs that have cash redeemable option is accounted under RSU liability and the RSUs that has only share redeemable condition is recorded under contributed surplus.

Recoverable reserves

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining interests. The Company estimates its recoverable reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of, commodity prices, production costs, future capital requirements, and foreign exchange rates, along with geological assumptions and judgments made in estimating the size and grade of the ore body, and metallurgical assumptions made in estimating the recovery of the ore body. Changes in the reserve or resource estimates may impact the carrying value of mineral properties, asset retirement obligations, inventories and depreciation expense.

Depreciation and depletion

Mining interests are depleted using the unit-of-production method over a period not to exceed the estimated life of the ore body based on estimated recoverable reserves. Property, plant and equipment under construction are depreciated, net of residual value over the useful life of the property, plant and equipment under construction but do not exceed the related estimated life of the mine based on estimated recoverable mineral reserves. The calculation of the units of production rate, and therefore the annual depletion and depreciation expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production and expansion of mineral reserves through exploration activities. Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment of mining interests

The Company's management reviews the carrying values of its mining interests on transfer from an exploration and evaluation property to a development property and on a regular basis to determine whether any write-downs are necessary.

Property, plant and equipment under construction is also reviewed on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining interests and property, plant and equipment under construction depends on the Company's interpretation of its interest in the underlying mineral claims based on existing regulations, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on the life-of-mine plans in its assessments of economic recoverability and probability of future economic benefit. Life-of-mine plans provide an economic model to support the economic extraction of reserves and resources.

A long-term life-of-mine plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body. The life-of-mine plan requires the use of estimates and assumptions such as long term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, mineral reserves, and operating performance (which includes production and sales volume).

2. Significant accounting policies (continued)

Asset retirement obligation

The Company assesses its provision for environmental rehabilitation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for environmental rehabilitation requires management to make estimates of the future costs the Company will incur to complete the rehabilitation work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for environmental rehabilitation. The provision represents management's best estimate of the present value of the future provision for environmental rehabilitation. The actual future expenditures may differ from the amounts currently provided.

Convertible debentures - derivative

The derivative liability is revalued at each reporting period using the Black Scholes model which utilizes management estimates for inputs as at the closing date of the reporting period. Any changes to the fair value measurement are recorded through the condensed interim consolidated statement of loss and comprehensive loss.

Deferred taxes

The Company operates in a number of tax jurisdictions and is therefore required to estimate its income taxes in each of these tax jurisdictions in preparing its condensed interim consolidated financial statements. In calculating the income taxes, the Company considers factors such as tax rates in the different jurisdictions, non-deductible expenses, changes in tax law and management's expectations of future results. The Company estimates deferred income taxes based on temporary differences between the income and losses reported in its financial statements and its taxable income and losses as determined under the applicable tax laws. The tax effects of these temporary differences are recorded as deferred tax assets or liabilities in the financial statements. The Company does not recognize deferred tax assets where management does not expect such assets to be realized based upon current forecasts. In the event that actual results differ from these estimates, adjustments are made in subsequent periods.

Critical judgments in applying accounting policies

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Functional currency

The assessment of the Company's functional currency and the functional currency of its subsidiaries involves judgment regarding the primary economic environment the Company and its subsidiaries operate in.

Commercial production

The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgement which impacts when the Company recognizes revenue, operating costs and depreciation and depletion. In making this determination, management considers specific facts and circumstances. These factors include, but are not limited to, whether the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed, completion of a reasonable period of commissioning and consistent operating results being achieved at pre-determined levels of design capacity for a reasonable period of time.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

2. Significant accounting policies (continued)

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term. The determination of the incremental borrowing rate utilized on commencement of the lease to present value the contractual payments requires significant judgement in its determination.

3. Receivables and other assets

	September 30, 2020 $	December 31, 2019 $
Prepaid expenses	1,310	999
Trade receivables	3	-
Other receivables	343	149
Total receivables and other assets	**1,656**	**1,148**

4. Inventories

	September 30, 2020 $	December 31, 2019 $
Stockpiles of ore	3,106	8,178
Inventory - Gold in Circuit	2,821	-
Inventory - Finished Goods	1,103	-
Inventory - Consumables and supplies	1,196	178
Total inventories	**8,226**	**8,356**

5. Uudam Khundii Project

The Company, through its subsidiary Steppe West LLC ("Steppe West"), entered into a share sales agreement dated May 15, 2017, with an unrelated third party to acquire 80% of Corundum Geo LLC ("Corundum") for cash consideration of $1,100 and share consideration of 1,400,000. The acquisition was accounted as an asset acquisition.

On May 14, 2020, the Company settled in cash the remaining $350 payable in relation to the Uudam Khundii project acquisition.

Uudam Khundii asset:

	$
Balance as at December 31, 2018	**2,045**
Foreign exchange adjustment	(53)
Balance as at December 31, 2019	**1,992**
Foreign exchange adjustment	(92)
Balance as at September 30, 2020	**1,900**

The accumulated other comprehensive loss related to foreign exchange for the nine months ended September 30, 2020 totaled $92 (nine months ended September 30, 2019: $205).

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

6. Property, plant and equipment under construction

	Property and Equipment	Altan Tsagaan Ovoo Property	Equipment under construction	Right of use asset	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2019	**6,628**	**20,938**	**4,670**	**-**	**32,236**
Transfer from property and equipment	(488)	-	-	488	-
Additions	2,394	2,564	3,610	895	9,463
Transfer of equipment completed	1,017	-	(1,017)	-	-
Accretion costs	-	1,869	-	-	1,869
Asset retirement costs	-	30	-	-	30
Foreign exchange	(104)	(517)	(161)	(13)	(795)
Balance at December 31, 2019	**9,447**	**24,884**	**7,102**	**1,370**	**42,803**
Additions	737	400	1,036	88	2,261
Transfer of equipment completed	6,879	-	(6,879)	-	-
Transfer of right of use assets	31	-	-	(31)	-
Accretion costs	-	335	-	-	335
Asset retirement costs	-	593	-	-	593
Foreign exchange	(538)	(1,077)	(223)	(57)	(1,895)
Balance at September 30, 2020	**16,556**	**25,135**	**1,036**	**1,370**	**44,097**
Accumulated depreciation					
Balance at January 1, 2019	**91**	**66**	**-**	**-**	**157**
Transfer from PPE	(1)	-	-	1	-
Additions	752	477	-	150	1,379
Foreign exchange	(7)	(2)	-	-	(9)
Balance at December 31, 2019	**835**	**541**	**-**	**151**	**1,527**
Additions	1,809	1,810	-	164	3,783
Transfer of right of use assets	2	-	-	(2)	-
Foreign exchange	(67)	(41)	-	(5)	(113)
Balance at September 30, 2020	**2,579**	**2,310**	**-**	**308**	**5,197**
Net book value					
Balance at December 31, 2019	**8,612**	**24,343**	**7,102**	**1,219**	**41,276**
Balance at September 30, 2020	**13,977**	**22,825**	**1,036**	**1,062**	**38,900**

Equipment under construction includes plant and equipment which is not available for use and therefore is not depreciated. During the nine months ended September 30, 2020, $2,985 (the nine months ended September 30, 2019: $122) of depreciation was expensed to the condensed interim consolidated statements of loss and comprehensive loss and $798 was capitalized to inventory.

Right of use assets comprise of the Canada office lease with lease term until July 31, 2021, generators with lease terms until November 12, 2021 and four light vehicles with one to four year lease terms.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

7. Deferred tax

The Company has recognized the following deferred tax assets:

	September 30, 2020 $	December 31, 2019 $
Long term liability	494	-
Production cost	189	-
Depreciation/Amortization	7	-
Total deferred tax asset	**690**	**-**

8. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	September 30, 2020 $	December 31, 2019 $
Amounts payable	2,688	3,685
Accrued liabilities	51	1,912
Other payables	1,981	98
Total amounts payable and accrued liabilities	**4,720**	**5,695**

9. Asset retirement obligation

The provision for environmental rehabilitation consists of land rehabilitation, demolition of buildings and mine facilities, and related costs. Although the ultimate amount of the environment rehabilitation provision is uncertain, the amount of these obligations is based on information currently available, including closure plans and the Company's interpretation of current regulatory requirements.

The provision for environmental rehabilitation relates to reclamation and closure costs of the Company's ATO Project. The undiscounted provision for environmental rehabilitation is estimated at $2,120 as at September 30, 2020 (December 31, 2019: $688), over a period of 10.5 years (December 31, 2019: 11 years), and discounted using a risk-free rate of 10.25% for the period (December 31, 2019: 14.5%).

A summary of the Company's asset retirement obligation as at September 30, 2020 and December 31, 2019 is presented below:

	September 30, 2020 $	December 31, 2019 $
Balance, beginning of period	**271**	**321**
Movements	593	(82)
Accretion	53	40
Change in present value of asset retirement obligation	13	-
Foreign exchange	(22)	(8)
Balance, end of period	**908**	**271**

10. Streaming arrangement

In connection with the ATO Acquisition, the Company, Steppe Gold LLC ("Steppe Mongolia") and Steppe Investments Limited ("Steppe BVI") entered into a metals purchase and sale agreement (Stream Agreement) dated August 11, 2017 with Triple Flag Bermuda to sell gold and silver produced from the ATO Project. Under the terms of the Stream Agreement, Steppe BVI is obligated to sell to Triple Flag Bermuda 25% of the gold and 50% of the silver produced from the ATO Project until such time as Steppe BVI has sold an aggregate of 46,000 ounces of gold and 375,000 ounces of silver, respectively. Thereafter the annual amounts that Steppe BVI is obligated to sell to Triple Flag Bermuda is capped at 5,500 ounces for gold (plus 250 ounces of gold for each three month period in which the commercial production date follows September 30, 2018) and 45,000 ounces for silver (plus 2,045 ounces of silver for each three month period in which the commercial production date follows September 30, 2018). The obligation of Steppe BVI to sell gold and silver to Triple Flag Bermuda continues for the life of mine and includes any gold or silver produced by Steppe Mongolia within the stream area, which is the area within 20km from the boundary of the original mineral licenses comprising the ATO Project.

As additional consideration for entering into the Stream Agreement, the Company granted 2,300,000 purchase warrants to Triple Flag Bermuda, with each warrant (a "Stream Warrant") entitling the holder to acquire one unit of the Company (a "Stream Unit") at a price of CAD$2.00 per Stream Unit on or before September 15, 2022. Each Stream Unit is comprised of one common share and one common share purchase warrant, which entitles the holder to acquire one additional common share at CAD$2.00 per on or before September 15, 2022.

On September 30, 2019 the Company entered into an agreement to amend the terms of its existing gold stream with Triple Flag Bermuda. Under the terms of the amendment, Triple Flag Bermuda advanced an additional deposit of $5,000 to Steppe Gold, bringing the total amount advanced to Steppe Gold by Triple Flag Bermuda under the gold stream to $28,000. The proceeds received from Triple Flag Bermuda were used to repay the final $5,000 promissory note issued as part of the purchase price for the acquisition by the Company of the ATO Project.

As consideration for the additional advance of $5,000 the parties agreed to reduce the variable gold and silver price payable by Triple Flag Bermuda on delivery of gold and silver from 30% to 17% of the relevant market price. As additional consideration, Steppe West granted a 3% net smelter returns royalty to a subsidiary of Triple Flag Bermuda on minerals derived from the Uudam Khundii property owned by Corundum.

As long as the upfront deposit of $28,000 (the "Upfront Deposit") remains outstanding, the purchase price for the gold and silver required to be sold to Triple Flag Bermuda under the Stream Agreement is based on the product of 0.99 and spot prices as of delivery date. The purchase price is to be satisfied as to 83% against the uncredited balance of the Upfront Deposit and 17% is payable in cash by Triple Flag Bermuda. Once the uncredited balance of the Upfront Deposit has been reduced to nil the purchase price by Triple Flag Bermuda for the gold and silver shall be 17% of price determined with reference to the product of 0.99 and spot prices of the delivery date, payable in cash.

The obligations of Steppe BVI under the Stream Agreement were guaranteed by the Company and Steppe Mongolia and secured by all of the assets of Steppe Mongolia, including a pledge of the ATO Project mining license and the exploration licenses owned by Steppe Mongolia, all of the assets of Steppe BVI and through the pledge by the Company of all of shares of both Steppe BVI and Steppe Mongolia.

The Company has determined that the stream obligation is in substance a debt instrument with embedded derivatives linked to gold and silver commodity prices. As the stream is in substance a debt instrument, the effective interest on the debt host is capitalized as a borrowing cost during the development phase of the ATO Project.

During the year ended December 31, 2019, the Company determined that the amendment to the agreement was considered a modification to the liability and recorded a gain of $304 to the condensed interim consolidated statement of loss and comprehensive loss.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

10. Streaming arrangement (continued)

During the nine months ended September 30, 2020, accretion expenses totaling $335 were capitalized to property, plant and equipment (nine months ended September 30, 2019: $807) with the remaining $630 recorded in the condensed interim consolidated statement of loss and comprehensive loss (nine months ended September 30, 2019: $nil) (Note 21)

The Stream Agreement is subject to various financial covenants in the form of ratios. These covenants include the indebtedness of the Company, excluding all amounts owing from time to time under the Company's promissory note on completion of the ATO Acquisition ("Centerra Deferred Purchase Price Amount") less any cash and liquid securities that is greater than the Centerra Deferred Purchase Price Amount ("Net Indebtedness") and earnings before interest, taxes, depreciation and amortization ("EBITDA"). The covenant is defined in the agreement as a leverage ratio, calculated as Net Indebtedness of the Company to EBITDA ("EBITDA Ratio") and a forward leverage ratio, calculated as Net Indebtedness to forecasted EBITDA ("Forcasted EBITDA Ratio"). Per the agreement, the EBITA Ratio cannot exceed 2.0 and its Forecasted EBITDA Ratio cannot exceed 2.0 until the date of the later of the delivery of 46,000 ounces of gold or 375,000 ounces of silver. On or after the later of the delivery of 46,000 ounces of gold or 375,000 ounces of silver, the Company must ensure that its EBITDA Ratio does not exceed 2.5 and Forecasted EBITDA Ratio does not exceed 2.5. Prior to the commercial production date, the Company shall not declare or pay any dividend or any other distributions on any of its capital stock or other securities. The Company is compliant with the covenants as noted in the the stream arrangement.

The continuity of the streaming liability is presented as follows:

	September 30, 2020 $	December 31, 2019 $
Balance, beginning of the period	**25,786**	**20,112**
Funding received	-	5,000
Transactional cost	-	(150)
Gain on modification of debt	-	(304)
Accretion	965	1,128
Drawdown of gold and silver stream	(4,759)	-
Balance, end of the period	**21,992**	**25,786**
Current portion	**8,535**	**10,396**
Long term portion	**13,457**	**15,390**

11. Leases

The Company has leases in place for its Canada office, generators and light motor vehicles. Each lease is reflected on the condensed interim consolidated statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment under construction (Note 6).

The lease term for the office is three years expiring in 2021 while the lease term for the light vehicles and the generators range from one to four years. The leases have fixed payment terms.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

11. Leases (continued)

The continuity of lease liability is presented as follows:

	September 30, 2020	December 31, 2019
Balance, beginning of the period	**576**	**-**
Adoption of IFRS16	-	871
Additions	88	498
Interest expense	47	116
Lease payments	(308)	(916)
Foreign exchange	(40)	7
Balance, end of the period	**363**	**576**
Current portion	**295**	**399**
Long term portion	**68**	**177**

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at September 30, 2020 is as follows:

	Within 1 year $	1 – 2 years $	2 – 3 years $	3 – 4 years $	**Total** **$**
September 30, 2020					
Lease payments	(280)	(63)	(37)	(19)	**(399)**

12. Convertible Debentures

(i) Private placement of convertible debentures

On July 2, 2019 the Company closed its previously announced private placement issuing $5.4 million principal amount of two-year unsecured convertible debentures.

On August 27, 2019 the Company closed the second and final tranche of its previously announced private placement issuing $3.04 million principal amount of two-year unsecured convertible debentures bringing the aggregate principal value of debentures issued under the offering to $8.44 million. $600 of the proceeds from the debentures was allocated from unsettled accounts payable.

Both tranches collectively known as the "Debentures" bear interest from the date of closing at 10% per annum, calculated and payable semi-annually in arrears on June 30 and December 31 in each year, commencing on December 31, 2019 and will mature on July 2, 2021 and on August 27, 2021 respectively.

The Debentures are unsecured obligations of the Company and rank pari passu in right of payment of principal and interest.

The Debentures are convertible at the option of the holder into common shares of the Company at any time prior to the close of business on the maturity date at a conversion price of $0.52 per common share. The Company has the right to accelerate the conversion of the Debentures 2019 in the event the closing price of the common shares on the Toronto Stock Exchange exceeds CAD$2.00 for any period of 30 consecutive trading days.

The conversion feature of the Debentures meets the definition of a derivative liability instrument as the conversion feature is denominated in a currency other than the Company's functional currency, and as such does not meet the fixed for fixed criteria.

12. Convertible Debentures (continued)

The fair values of the conversion feature of the Debentures was valued on their closing date and was estimated based on the Black Scholes pricing model using a risk free interest rate of 1.48% (first tranche), 1.34% (second tranche) based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rates of 78% (first tranche) 83% (second tranche) based on comparable companies, and an expected life of 2 years.

Convertible debentures loan liability component has been subsequently measured at amortized cost using effective interest method. Effective interest rate of the loan liability (tranche 1 - 48% and tranche 2 - 93%) are based on the present value (principal, less conversion feature and issuance costs), future value and term.

During the year ended December 31, 2019, the Company incurred transaction costs of $477 of which $255 was expensed in the consolidated statement of loss and comprehensive loss and $222 was capitalized to the convertible debentures - loan liability component in relation to Debentures. These costs included 6% finders' fees of $467 and legal expenses of $10.

On December 31, 2019, the Company made the first semi-annual 10% interest payments of $374 and on June 30, 2020, the Company made the next semi-annual 10% interest payments of $238 to the Debenture holders of Debentures.

As at December 31, 2019, the fair value of convertible debentures - derivative component was estimated based on the Black Scholes pricing model using a risk free interest rate of 1.69% based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rate of 83% based on comparable companies, and an expected life of 1.5 years (first tranche) and 1.69 years (second tranche).

During the nine months ended September 30, 2020, all convertible debentures noted above were converted 16,230,756 common shares. The loan liability portion of the convertible debentures was transferred to share capital and totaled $5,187. The fair value of the derivative component of $18,730 was transferred to share capital and valued based on the Black Scholes pricing model using a risk free interest rate of 0.25% - 0.29% based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, a volatility rate of 65.95% - 90.85% based on the Company's historical share price and a remaining expected life of 0.91 – 1.23.

(ii) Mongolian National Investment Fund Debentures (MNIF Debentures)

On January 30, 2020, the Company received funding from the Mongolian National Investment Fund PIF SPV (the "Fund"). The Fund has subscribed for a 12% two-year secured convertible debenture of the Company in the principal amount of $3 million. The debt is secured against all of the shares of Steppe West owned by the Company.

The MNIF Debentures will bear interest from the date of closing at 12% per annum, calculated and payable semi-annually in arrears on June 30 and December 31 in each year, commencing on June 30, 2020 and will mature on January 30, 2022.

The MNIF Debentures are secured obligations of the Company and rank pari passu in right of payment of principal and interest.

The MNIF Debentures will be convertible at the option of the holder into common shares of the Company at any time 4 months after the closing date and prior to the close of business on the maturity date at a conversion price of US$0.68 per common share.

The conversion feature of the MNIF Debentures meets the definition of a derivative liability instrument as the conversion feature is denominated in a currency other than the Company's functional currency, and as such does not meet the fixed for fixed criteria.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

12. Convertible Debentures (continued)

The fair value of the conversion feature of the MNIF Debentures was estimated based on the Black Scholes pricing model using a risk free interest rate of 1.47% based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rates of 77% based on comparable companies, and an expected life of 2 years.

The convertible debentures loan liability component has been subsequently measured at amortized cost using the effective interest method. The effective interest rate of the loan liability (42%) is based on the present value (principal, less conversion feature and issuance costs), future value and term.

During the nine months ended September 30, 2020, the Company has incurred transaction costs (finders fees of 6%) of $180 of which $65 was expensed in the condensed interim consolidated statement of loss and comprehensive loss for the period and $115 was capitalized to the convertible debentures - loan liability component in relation to MNIF Debenture.

As at September 30, 2020, the fair value of convertible debentures - derivative component was estimated based on the Black Scholes pricing model using a risk free interest rate of 0.25% based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rate of 65.50% based on the Company's historical share price, and an expected life of 1.33 years.

The following table discloses the components associated with the convertible debenture transactions at initial recognition:

December 31, 2019	**$**
Proceeds from private placement of Debentures	8,440
Less derivative component	(4,635)
Loan liability component	**3,805**

September 30, 2020	**$**
Proceeds from issue of MNIF Debentures	3,000
Less derivative component	(1,077)
Loan liability component	**1,923**

The changes in the convertible debenture loan liability are as follows:

	$
Value at initial recognition	3,805
Issuance costs	(222)
Accretion	977
Interest payments	(374)
Balance December 31, 2019	**4,186**
Initial recognition - MNIF Debentures	1,923
Issuance costs	(115)
Accretion	1,974
Interest (i)	(678)
Converted to common shares (ii)	(5,187)
Balance September 30, 2020	**2,103**

(i) $558 of interest paid and $120 of accrued interest as at September 30, 2020. Accrued interest payable is included in amounts payable and other liabilities (note 7)
(ii) Convertible debentures of $8,440 were converted to common shares at $0.52 per share.

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

12. Convertible Debentures (continued)

The changes in the convertible debenture - derivative related to the conversion feature are as follows:

	$
Value at initial recognition	4,635
Change in fair value of derivative liability	873
Balance December 31, 2019	**5,508**
Initial recognition - MNIF Debentures	1,077
Change in fair value of derivative liability	17,953
Converted to common shares (ii)	(18,730)
Balance September 30, 2020	**5,808**

13. Long Term Loan

On September 18, 2020, the Company entered into a loan agreement with the Trade and Development Bank of Mongolia ("TDB") for 30 billion Mongolian Tughrik (US$10,510). The loan is financed by the Bank of Mongolia for a period of 24 months secured by a cash deposit held by TDB totaling 35.4 billion Mongolian Tughrik (US$12,436). The purpose of the loan is to provide for financing of expansion at the ATO project. The outstanding principal balance on the loan is subject to interest at a rate of 11% per annum, payable monthly. Repayment of the principal balance on the loan is required to be made in three equal tranches on September 18, 2021, March 18, 2022 and September 18, 2022. The Company is required to sell all gold mined during the term of the loan to TDB.

	September 30, 2020 **$**
Balance, beginning of the period	**-**
Loan advanced	10,510
Interest accrued	29
Foreign exchange	29
Balance, end of the period	**10,568**
Current portion	**3,542**
Long term portion	**7,026**

14. Share Capital

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

a) Authorized share capital – the authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued:

	Number of common shares	$
Balance, December 31, 2018	**41,540,895**	**20,421**
Equity Financing (i)	2,222,222	1,448
Uudam Khundii shares issued (ii)	1,400,000	647
Exercise of restricted share units (iii)	35,294	23
Balance, December 31, 2019	**45,198,411**	**22,539**
Equity Financing (i) (v)	7,371,944	8,231
Exercise of restricted share units (iii)	35,294	23
Convertible debentures converted into shares (iv)	16,230,756	23,917
Balance, September 30, 2020	**68,836,405**	**54,710**

(i) On December 23, 2019 the Company issued 2,222,222 common shares for CAD$2,000 and incurred share issue costs of CAD$120. On January 27, 2020 the Company issued 390,000 common shares for CAD$351 and incurred share issue costs of CAD$21.

(ii) On November 5, 2019 the Company issued 1,400,000 shares as part of the Uudam Khundii project acquisition (Note 5).

(iii) The Company issued 35,294 common shares related to restricted share units (RSUs) exercised on February 27, 2019 and 35,294 common shares related to RSUs exercised on February 11, 2020. The fair value of the RSUs exercised was $23 and was transferred from amounts payable and other liabilities to share capital on exercise.

(iv) During the nine months ended September 30, 2020, convertible debentures with a principal balance of $8,440 were converted into common shares of the Company at a price of $0.52 per share. On the date of conversion, the fair value of the derivative component and amortized cost of the loan liability on convertible debentures totaling $18,730 and $5,187 respectively were transferred to share capital for the period of nine months ended September 30, 2020. (Note 12)

(v) On August 5, 2020, the Company issued 6,976,944 units at a price of C$2.15 per unit for gross proceeds of C$15,000. Each unit is comprised of one common share of the company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price of C$3.00 per share for a period of 24 months from the closing date. The Company incurred finders fees of CAD$600 and legal fee of CAD $7 in relation to equity financing. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of warrants was valued at $2,872 and estimated based on the Black Scholes pricing model using a risk free interest rate of 0.27% based on 2-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rate of 66.63% based on the Company's historical share price and an expected life of 2 years.

15. Warrants

	Number of warrants	Warrant (Equity) $
Balance, December 31, 2018	**20,243,385**	**13,655**
Balance, December 31, 2019	**20,243,385**	**13,655**
Expired on May 22, 2020	(13,134,135)	(5,362)
Issued on August 05, 2020	6,976,944	2,872
Balance, September 30, 2020	**14,086,194**	**11,165**

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

15. Warrants (continued)

The following table reflects the actual warrants issued, outstanding and exercisable as of September 30, 2020:

Expiry date	Exercise price (CAD$)	Warrants outstanding	Fair Value ($)
May 22, 2023	2.00	4,809,250	5,642
September 15, 2022	2.00	2,300,000	2,651
August 05, 2022	3.00	6,976,944	2,872
	2.50	**14,086,194**	**11,165**

16. Exploration and evaluation expenditures

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
ATO project	1,564	-	1,566	-
Uudam Khundii project	136	11	142	14
	1,700	**11**	**1,708**	**14**

17. Revenue

Revenue by metal for the nine months and three months ended September 30, 2020 and 2019 since commencement of commercial production in April 2020 was as follows:

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Gold revenue	19,290	-	38,742	-
Silver revenue	70	-	138	-
	19,360	**-**	**38,880**	**-**

18. Production cost

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Contractors	2,192	-	4,838	-
Employee compensation	292	-	978	-
Materials and consumables	1,665	-	3,671	-
Other expenses	1,045	-	2,317	-
	5,194	**-**	**11,804**	**-**

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

19. Corporate administration

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Management compensation	1,327	224	1,810	657
Stock based compensation	636	368	708	675
Corporate social responsibility	204	76	598	216
Direct general administrative	1,339	696	2,948	1,952
	3,506	**1,364**	**6,064**	**3,500**

20. Stock based compensation:

The following table reflects the continuity of options for the nine months ended September 30, 2020:

Expiry date	Exercise price (CAD$)	Number of options	Options exercisable	Fair Value of Options $
May 22, 2023	2.00	2,600,000	2,600,000	3,028
October 10, 2023	2.00	1,475,000	983,333	860
		4,075,000	**3,583,333**	**3,888**

	Number of options	Exercisable price $
Issued on May 22, 2018	2,600,000	2.00
Issued on October 10, 2018	1,555,000	2.00
Balance at December 31, 2018	**4,155,000**	**2.00**
Balance at December 31, 2019	**4,155,000**	**2.00**
Expired options	(80,000)	2.00
Balance at September 30, 2020	**4,075,000**	**2.00**

During the year ended December 31, 2019, two directors resigned from the Company. In accordance with the stock option plan, these options immediately vest upon resignation. A total of 80,000 options related to the October 10, 2018 stock option issuance were accelerated during the year ended December 31, 2019 and expired during the nine months ended September 30, 2020.

Stock based compensation of $103 for the nine months ended September 30, 2020 (nine months ended September 30, 2019: $675) was expensed in the condensed interim consolidated statement of loss and comprehensive loss. (Note 23)

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

20. Stock based compensation (continued)

The following table reflects the continuity of RSUs as at September 30, 2020:

	Outstanding number of RSU
Balance at December 31, 2018	**105,882**
Exercised February 27, 2019	(35,294)
Balance at December 31, 2019	**70,588**
Exercised February 11, 2020	(35,294)
Granted August 21, 2020	1,957,500
Balance at September 30, 2020	**1,992,794**

On February 27, 2019, 35,294 RSUs were exercised and $23 was transferred from liability to equity (note 14). As at year ended December 31, 2019, there were 70,588 RSUs outstanding and 35,294 RSUs exercisable.

On February 11, 2020, 35,294 RSUs were exercised and $23 was transferred from liability to equity (note 14).

On August 21, 2020, the Company granted 1,957,500 restricted share units (RSUs) to its executive officers and employees.

In accordance with the plan, for participants that are not identified as Management, 757,500 RSUs shall vest in four equal instalments on July 31 2020, July 31 2021, July 31 2022 and July 31 2023 and are exercisable into one common share of the Company at no additional cost. For participants identified as Management, 1,200,000 RSUs shall vest in three equal instalments on July 31 2021, July 31 2022 and July 31 2023 and are exercisable into one common share of the Company or the cash equivalent thereof at no additional cost.

Vesting of RSUs of $605 was expensed in the condensed interim consolidated statement of loss and comprehensive loss for the three and nine months ended September 30, 2020 (2019 - $9). As at September 30, 2020, there were 1,992,794 RSUs outstanding and 488,588 RSUs exercisable.

21. Finance costs

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Accretion on convertible debentures	511	679	1,974	679
Accretion on lease liability	14	5	47	90
Accretion on asset retirement obligation	(7)	37	53	37
Accretion on stream liability	300	-	630	-
Interest on long term loan	29	-	29	-
Cost of issue convertible debentures	-	258	65	258
Change in fair value of convertible debentures	9,235	1,712	17,953	1,712
Changes in present value of Asset Retirement Obligation	297	-	13	-
	10,379	**2,691**	**20,764**	**2,776**

(All dollar amounts expressed in thousands of United States Dollars, other than the per share amounts or unless otherwise noted)

22. Net loss per common share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2020 was based on the net loss attributable to common shareholders of $7,043 (nine months ended September 30, 2019 - loss of $6,791) and the weighted average number of common shares outstanding of 51,852,496 (nine months ended September 30, 2019 – 41,576,189).

23. Related party transactions

The Company's related parties include its subsidiaries and key management personnel.

During the three and nine months ended September 30, 2020 and 2019, management fees paid, or otherwise accrued, to key management personnel (defined as officers and directors of the Company) are shown below:

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Management fees paid to key personnel	1,327	224	1,810	657
Stock based compensation	98	368	160	675
	1,425	**592**	**1,970**	**1,332**

As at September 30, 2020, key management personnel were owed $nil (December 31, 2019: $18).

During the three and nine months period ended September 30, 2020, Erdenyn Erel, a company for which the Vice President of Exploration is the CEO provided services to the Company totaling $1,572 (2019 - $nil). As at September 30, 2020, $1,572 was owed to Erdenyn Erel (December 31, 2019 - $1,498).

Bataa Tumur-Ochir, a director and officer of Steppe Gold Ltd. announced that on October 28, 2019, he purchased US$2,500 of the 10% two-year unsecured Company Debentures from Chinggis Khaan Bank. On July 15, 2020, Bataa Tumur-Ochir converted his $2,500 convertible debentures into 4,807,692 common shares at a price of $0.52 per common share. Interest payable to Bataa Tumur-Ochir totaled $134 (September 30, 2019 – $nil), of which $77 was paid in cash during the period.