

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

Quarterly Report Pursuant to Section 13 Or 15(d) Of The Securities Exchange Act of 1934  
For the quarterly period ended **October 31, 2019**

Transition Report Under Section 13 Or 15(d) Of The Securities Exchange Act of 1934

For the transition period \_\_\_\_\_ to \_\_\_\_\_  
**COMMISSION FILE NUMBER 000-52711**

**STAR GOLD CORP.**

(Exact name of small business issuer as specified in its charter)

**NEVADA**

(State or other jurisdiction of incorporation or organization)

**1875 N. Lakewood Drive, Suite 200**

**Coeur d'Alene, Idaho**

(Address of principal executive office)

**27-0348508**

(IRS Employer Identification No.)

**83814**

(Postal Code)

**(208) 664-5066**

(Issuer's telephone number)

**Title of Each Class**

Common Stock.

**Trading Symbol**

SRGZ

**Name of Each Exchange on Which**

**Registered**

OTCQB

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post filed). Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of **December 13, 2019** there were **77,394,841** shares of registrant's common stock, \$0.01 par value, issued and outstanding.

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**STAR GOLD CORP.  
BALANCE SHEETS (UNAUDITED)**

	<u>October 31, 2019</u>	<u>April 30, 2019</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 100,567	\$ 440,316
Other current assets (NOTE 5)	<u>16,988</u>	<u>22,845</u>
TOTAL CURRENT ASSETS	<u>117,555</u>	<u>463,161</u>
EQUIPMENT AND MINING INTEREST, net (NOTE 4)	544,318	467,107
OTHER ASSETS – NON-CURRENT (NOTE 5)	-	2,557
RECLAMATION BOND (NOTE 4)	<u>89,400</u>	<u>21,600</u>
<b>TOTAL ASSETS</b>	<u>\$ 751,273</u>	<u>\$ 954,425</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	<u>\$ 34,590</u>	<u>\$ 19,246</u>
TOTAL CURRENT LIABILITIES	<u>34,590</u>	<u>19,246</u>
TOTAL LIABILITIES	<u>34,590</u>	<u>19,246</u>
COMMITMENTS AND CONTINGENCIES (NOTE 4)		
STOCKHOLDERS' EQUITY		
Preferred Stock, \$.001 par value; 10,000,000 shares authorized, none issued and outstanding		-
Common Stock, \$.001 par value; 300,000,000 shares authorized; 77,394,841 shares issued and outstanding	77,395	77,395
Additional paid-in capital	11,576,571	11,560,527
Accumulated deficit	<u>(10,937,283)</u>	<u>(10,702,743)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>716,683</u>	<u>935,179</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 751,273</u>	<u>\$ 954,425</u>

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

**STAR GOLD CORP.**  
**STATEMENTS OF OPERATIONS (UNAUDITED)**

	Three months ended October 31,		Six months ended October 31,	
	2019	2018	2019	2018
OPERATING EXPENSE				
Mineral exploration expense	\$ -	\$ (4,714)	\$ 26,630	\$ 19,914
Pre-development expense	28,690	45,766	57,763	90,812
Legal and professional fees	19,462	5,357	59,722	35,252
Management and administrative	61,518	38,490	89,860	69,942
Depreciation	416	416	833	832
TOTAL OPERATING EXPENSES	110,086	85,315	234,808	216,752
LOSS FROM OPERATIONS	(110,086)	(85,315)	(234,808)	(216,752)
OTHER INCOME (EXPENSE)				
Interest expense	(233)	(200)	(448)	(400)
Interest income	230	591	716	1,149
TOTAL OTHER INCOME (EXPENSE)	(3)	391	268	749
NET LOSS	\$ (110,089)	\$ (84,924)	(234,540)	(216,003)
Basic and diluted loss per share	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Basic and diluted weighted average number shares outstanding	77,394,841	76,483,930	77,394,841	76,459,832

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

**STAR GOLD CORP.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**For the three and six months ended October 31, 2019 and 2018 (UNAUDITED)**

	Common Stock			Accumulated Deficit	Total Stockholders' Equity
	Shares Issued	Par Value \$.001 per share	Additional Paid in Capital		
BALANCE, April 30, 2018	76,434,424	\$ 76,434	\$ 11,501,613	\$ (10,367,039)	\$ 1,211,008
Net loss	-	-	-	(131,079)	(131,079)
BALANCE, July 31, 2018	76,434,424	76,434	11,501,613	(10,498,118)	1,079,929
Net loss	-	-	-	(84,924)	(84,924)
Common stock issued at \$0.06 per share in lieu of cash for vendor payable	960,417	961	56,664	-	57,625
BALANCE, October 31, 2018	<u>77,394,841</u>	<u>\$ 77,395</u>	<u>\$ 11,558,277</u>	<u>\$ (10,583,042)</u>	<u>\$ 1,052,630</u>
BALANCE, April 30, 2019	77,394,841	\$ 77,395	\$ 11,560,527	\$ (10,702,743)	\$ 935,179
Net loss	-	-	-	(124,451)	(124,451)
BALANCE, July 31, 2019	77,394,841	77,395	11,560,527	(10,827,194)	810,728
Net loss	-	-	-	(110,089)	(110,089)
Options issued for mining interest	-	-	16,044	-	16,044
BALANCE, October 31, 2019	<u>77,394,841</u>	<u>\$ 77,395</u>	<u>\$ 11,576,571</u>	<u>\$ (10,937,283)</u>	<u>\$ 716,683</u>

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

**STAR GOLD CORP.**  
**STATEMENTS OF CASH FLOWS (UNAUDITED)**

	For the six months ended	
	October 31, 2019	October 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (234,540)	\$ (216,003)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation	833	832
Changes in operating assets and liabilities:		
Other current assets	5,857	3,795
Other assets	2,557	3,781
Accounts payable	15,344	(10,768)
Net cash used by operating activities	<u>(209,949)</u>	<u>(218,363)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for mining interest	(62,000)	(12,000)
Payments for collateral on reclamation bond	(67,800)	-
Net cash used in investing activities	<u>(129,800)</u>	<u>(12,000)</u>
Net change in cash and cash equivalents	(339,749)	(230,363)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>440,316</u>	<u>832,426</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 100,567</u>	<u>\$ 602,063</u>
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
Options issued for mining interest	\$ 16,044	\$ -
Common stock issued for account payable	-	57,625

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

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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**NOTE 1 - NATURE OF OPERATIONS**

Star Gold Corp. (the “Company”) was initially incorporated as Elan Development, Inc., in the State of Nevada on December 8, 2006. The Company was originally organized to explore mineral properties in British Columbia, Canada but the Company is currently focused on gold, silver and other base metal-bearing properties in Nevada. On April 25, 2008, the name of the company was changed to Star Gold Corp.

The Company’s core business consists of assembling and/or acquiring land packages and mining claims the Company believes have potential mining reserves, and expending capital to explore these claims by drilling, and performing geophysical work or other exploration work deemed necessary to move such claims towards development and production. The business is a high-risk business as there is no guarantee that the Company’s exploration work will ultimately discover or produce any economically viable minerals.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. The accompanying unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, the financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

In the opinion of the Company’s management, all adjustments, consisting of only normal recurring adjustments, considered necessary for a fair statement of the interim financial statements have been included. The balance sheet at April 30, 2019 was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. All amounts presented are in U.S. dollars. Operating results for the three- and six-month period ended October 31, 2019 are not necessarily indicative of the results that may be expected for the full fiscal year ending April 30, 2020.

For further information, refer to the financial statements and footnotes thereto in the Company’s Annual Report on Form 10-K for the year ended April 30, 2019.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management assumptions and estimates relate to long-lived asset impairments and stock-based compensation valuation. Actual results could differ from these estimates and assumptions and could have a material effect on the Company’s reported financial position and results of operations.

Risks and Uncertainties

The Company’s operations are subject to significant risks and uncertainties, including financial, operational, technological and other risks associated with operating an emerging exploration mining business, including the potential risk of business failure.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less when acquired to be cash equivalents.

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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Reclamation bond

Reclamation bond constitutes cash held as collateral for the faithful performance of bond securing exploration permits and are accounted for on a cost basis.

Financial Instruments

The Company's financial instruments include cash and cash equivalents and reclamation bond. All instruments are accounted for on a cost basis, which, due to the short maturity of these financial instruments, approximates fair value at October 31, 2019

Fair Value Measures

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date.

At October 31, 2019 and April 30, 2019, the Company had no assets or liabilities accounted for at fair value on a recurring or nonrecurring basis.

Mining Interests and Mineral Exploration Expenditures

Exploration costs are expensed in the period in which they occur. The Company capitalizes costs for acquiring and leasing mining properties and expenses costs to maintain mineral rights as incurred. Should a property reach the production stage, capitalized costs would be amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mining interests are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Pre-development Expenditures

Pre-development activities involve costs incurred in the exploration stage that may ultimately benefit production, such as underground ramp development, which are expensed due to the lack of evidence of economic development, which is necessary to demonstrate future recoverability of these costs.

Equipment

Equipment is stated at cost. Significant improvements are capitalized and depreciated. Depreciation of equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Maintenance and repairs are charged to operations as incurred. Gains or losses on disposition or retirement of property and equipment are recognized in operating expenses.

Reclamation and Remediation

The Company's operations are subject to standards for mine reclamation that have been established by various governmental agencies. In the period in which the Company incurs a contractual obligation for the retirement of tangible long-lived assets, the Company will record the fair value of an asset retirement obligation as a liability. A corresponding asset will also be recorded and depreciated over the life of the asset. After the initial measurement of an asset retirement obligation, the liability will be adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation. To date, the Company has not incurred any contractual obligation requiring recording either a liability or associated asset.

Impairment of Long-lived Assets



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**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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The Company periodically reviews its long-lived assets to determine if any events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The Company determines impairment by comparing the undiscounted net future cash flows estimated to be generated by its assets to their respective carrying amounts. If impairment is deemed to exist, the assets will be written down to fair value.

Stock-based Compensation

The Company estimates the fair value of options to purchase common stock using the Black-Scholes model, which requires the input of some subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected life”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”), employee forfeiture rate, the risk-free interest rate and the dividend yield. Changes in the subjective assumptions can materially affect the estimate of fair value of stock-based compensation. Options granted have a ten-year maximum term and varying vesting periods as determined by the Board of Directors. The value of shares of common stock awards is determined based on the closing price of the Company’s stock on the date of the award.

Income Taxes

The Company accounts for income taxes using the liability method. The liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of (i) temporary differences between financial statement carrying amounts of assets and liabilities and their basis for tax purposes and (ii) operating loss and tax credit carryforwards for tax purposes. Deferred tax assets are reduced by a valuation allowance when management concludes that it is more likely than not that a portion of the deferred tax assets will not be realized in a future period.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements in order to conform to the 2019 presentation. These reclassifications have no effect on net loss, total assets or accumulated deficit as previously reported.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02 Leases (Topic 842). The update modifies the classification criteria and requires lessees to recognize the assets and liabilities on the balance sheet for most leases. The update is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Adoption of this update on May 1, 2019 had no impact on the Company’s financial statement.

In June 2018, the FASB issued ASU No. 2018-07, Compensation-Stock Compensation, Improvements to Nonemployee Share-Based Payment Accounting. ASU No. 2018-07 expands the scope of the standard for stock-based compensation to include share-based payment transactions for acquiring goods and services from nonemployees. ASU No. 2018-07 became effective for the Company on May 1, 2019. Adoption of this update on May 1, 2019 had no impact on the Company’s financial statement.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

**NOTE 3– EARNINGS PER SHARE**

Basic Earnings Per Share (“EPS”) is computed as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options and warrants.

The outstanding securities at October 31, 2019 and 2018 that could have a dilutive effect are as follows:

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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	October 31, 2019	October 31, 2018
Stock options	7,145,000	6,650,000
Warrants	29,039,849	30,654,249
<b>TOTAL POSSIBLE DILUTIVE SHARES</b>	<b>36,184,849</b>	<b>37,304,249</b>

For the three and six months ended October 31, 2019 and 2018, respectively, the effect of the Company's outstanding stock options and warrants would have been anti-dilutive and so are excluded in the diluted EPS.

**NOTE 4- EQUIPMENT AND MINING INTEREST**

The following is a summary of the Company's equipment and mining interest at October 31, 2019 and April 30, 2019:

	October 31, 2019	April 30, 2019
Equipment	\$ 4,995	\$ 32,002
Less accumulated depreciation	(2,845)	(29,019)
Equipment, net of accumulated depreciation	2,150	2,983
Mining interest - Longstreet	542,168	464,124
<b>TOTAL EQUIPMENT AND MINING INTEREST</b>	<b>\$ 544,318</b>	<b>\$ 467,107</b>

Pursuant to the Longstreet Property Option Agreement with Great Basin Resources, Inc. ("Great Basin"), as amended, (the "Longstreet Agreement") originally entered into by the Company on or about January 15, 2010, the Company leases, with an option to acquire, unpatented mining claims located in the State of Nevada known as the Longstreet Property. Through August 12, 2019, the Company was required to make minimal lease payments in the form of cash and options to purchase shares of the Company's common stock.

On December 4, 2018, the Company amended the Longstreet Agreement to change the due date of certain expenditures required by that agreement (the "2018 Amendment"). The Amendment extends the due date of the 2019 expenditures from January 16, 2019 to August 31, 2019 and also extends the due date of the 2020 expenditures from January 16, 2020 to August 31, 2020. No other provisions of the Longstreet Agreement, as previously amended, were affected by the Amendment.

On August 12, 2019, the Company and Great Basin agreed to amend the Longstreet Agreement (the "2019 Amendment") to eliminate the required property expenditure structure and to implement new consideration for the transfer of the Property pursuant to that agreement. The 2019 Amendment eliminated the remainder of the required property expenditures. The 2019 Amendment sets forth Great Basin to transfer title of the mining interest to the Company upon the Company:

- a) repricing 435,000 existing options to purchase Company common stock at the exercise price of \$0.04 from exercise prices ranging from \$0.05 to \$0.80;
- b) issuing an additional 500,000 options to purchase Company common stock at the exercise price of \$0.04;
- c) making a cash payment of \$50,000 to Great Basin (paid on August 19, 2019) and
- d) entering into a consulting agreement with Great Basin with a term of eighteen months.

On August 12, 2019, the Company repriced 435,000 existing options to purchase the Company's common stock at an exercise price of \$0.04 and issued an additional 500,000 options to purchase the Company's common stock at an exercise price of \$0.04. The fair value of the re-pricing and issuance of additional stock options was \$16,044 which was capitalized as "Mining Interest".

On September 1, 2019, the Company executed a Consulting Agreement with Great Basin for a term of eighteen (18) months. Under the Consulting Agreement, the Company will pay Great Basin ~~at a rate of~~ \$7,500 per month.

The 2019 Amendment also grants the Company the option, to be exercised no later than six (6) months following the first receipt of proceeds from the sale of ore from the mining interest, to purchase one-half of Great Basin's 3.0% Net Smelter Royalty for a payment of \$1,750,000.

No other provisions of the Longstreet Agreement, as previously amended, were affected by the 2019 Amendment.

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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In addition, the Company is obligated, pursuant to the Longstreet Agreement, to pay an annual advance royalty payment of \$12,000 related to the Clifford claims. For the six months ended October 31, 2019 and 2018, respectively, the Company paid the annual \$12,000 advance royalty for additional mining interest on the Longstreet Property.

On September 20, 2019, the Company paid \$67,800 to the United States Forest Service to increase the Reclamation Bond as collateral on the Longstreet Property. The bond is collateral on reclamation of planned drilling activities on the Longstreet Property and is refundable subject to the Company completing defined reclamation actions upon completion of drilling.

**NOTE 5 – OTHER ASSETS**

On January 19, 2017, the Company entered into an Option and Lease of Water Rights with Stone Cabin Company, LLC (the “Stone Cabin Water Rights Agreement”). In exchange for a one-time payment of \$20,000, the Stone Cabin Water Rights Agreement granted the Company a three-year option to commence a ten-year lease of certain water rights in Nevada. The water rights are for use in conjunction with the Company’s Longstreet Project. Lease payments for the water rights do not commence unless the Company exercises the option to lease. The Stone Cabin Water Rights Agreement also granted the Company the ability to extend, upon additional option payments, the option to lease for up to an additional three years and the ability to extend the water rights lease (if exercised) for an additional ten-year period. The \$20,000 payment was deferred as Other Assets and is being amortized on a straight-line basis over the three-year option period.

On August 21, 2017, the Company entered into an Option and Lease of Water Rights, with High Test Hay, LLC (the “High Test Water Rights Agreement”). In exchange for a one-time payment of \$25,000, the High Test Water Rights Agreement grants the Company a three-year option to commence a ten-year lease on certain water rights in Nevada. The water rights are for use in conjunction with the Company’s Longstreet Project. Lease payments for the water rights do not commence unless and until the Company exercises the option to lease. The High Test Water Rights Agreement also grants the Company the ability to extend, upon additional option payments, the option to lease for up to an additional three years and the ability to extend the water rights lease (if exercised) for up to an additional twenty years. The \$25,000 payment has been deferred and is being amortized on a straight-line basis over the three-year option period.

The following is a summary of the Company’s Other Assets at October 31, 2019 and April 30, 2019.

	October 31, 2019	April 30, 2019
Option on water rights lease agreements, net	\$ 8,174	\$ 15,735
Prepaid insurance and other expenses	8,814	9,667
Total	16,988	25,402
Less Other Assets - Current	(16,988)	(22,845)
<b>TOTAL OTHER ASSETS - NON-CURRENT</b>	<b>\$ -</b>	<b>\$ 2,557</b>

**NOTE 6 – RELATED PARTY TRANSACTIONS**

The Company rented office space from Marlin Property Management, LLC (“Marlin”) an entity owned by the spouse of the Company’s former President and current Chairman of the Board of Directors. The lease was on a month-to-month basis as financial resources were available. The Company terminated the lease effective November 1, 2018. For the three and six months ended October 31, 2018, office rent was \$750 and \$1,500, respectively. No rent was incurred under this agreement in the three and six months ended October 31, 2019.

During the three and six months ended October 31, 2019, the Company paid a member of the Company’s Board of Directors for consulting and investor relation services in the amount of \$4,000 and \$8,000, respectively. There was no payment for services during the three and six months ended October 31, 2018.

Effective September 1, 2019, the board of directors authorized the Company to enter into separate consulting agreements with

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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the chairman of the board, two respective members of the board of directors and the Company's chief financial officer to reward, compensate and incentivize. The Company will accrue an aggregate \$18,000 per month in consulting and management fees and, in the event of a change of control or sale of substantially all of the company's assets, the Company management shall be granted bonuses equal to two per cent (2%) of the value of the change of control or sale.

During the three and six months ended October 31, 2019, the Company incurred management fees of \$4,000 and \$26,000, respectively, for certain members of the Company's board of directors. The balance of \$26,000 is included in "Accounts payable and accrued liabilities" at October 31, 2019. There was no payment for such services during the three and six months ended October 31, 2018.

**NOTE 7 – STOCKHOLDERS' EQUITY**

On October 26, 2018, the Company issued 960,417 shares of its common stock in lieu of cash payment for accounts payable. The value of the shares issued was \$57,625, based on a price of \$0.06 per share which was the fair value on the date of issuance. No shares of common stock have been issued during the six months ended October 31, 2019.

**NOTE 8 – WARRANTS**

The following is a summary of activity for warrants to purchase shares of the Company's stock through October 31, 2019.

	Warrants	Weighted average exercise price
Balance outstanding at April 30, 2018 and April 30, 2019	30,654,249	\$ 0.16
Expired	(1,614,400)	(0.23)
Balance outstanding at October 31, 2019	<u>29,039,849</u>	<u>\$ 0.16</u>

There were no warrants to purchase shares of the Company's common stock issued or exercised during the three months ended October 31, 2019 and 2018, respectively.

The composition of the Company's warrants outstanding at October 31, 2019 is as follows:

Issue Date	Expiration Date	Warrants	Exercise Price	Remaining life (years)
October 12, 2015	October 12, 2020	4,241,000	\$ 0.20	0.95
October 12, 2016	October 12, 2021	14,000,000	0.15	1.95
October 31, 2017	October 31, 2020	10,798,849	0.15	1.00
		<u>29,039,849</u>	<u>\$ 0.16</u>	<u>1.45</u>

**NOTE 9 - STOCK OPTIONS**

Options issued for mining interest

In consideration for its mining interest (see Note 4), the Company was obligated to issue stock options to purchase shares of the Company's common stock based on "fair market price" which for financial statement purposes is considered to be the closing price of the Company's common stock on the issue dates. Those costs are capitalized as Mining Interest (Note 4).

For the three and six months ended October 31, 2019, there were 500,000 options issued for mining interest at the exercise price of \$0.04 per share. During the three and six months ended October 31, 2019, the Company repriced 435,000 existing options to purchase Company common stock at the exercise price of \$0.04 per share from exercise prices ranging from \$0.05 to \$0.80. The fair value of the issuance and repricing was \$16,044.

For the three and six months ended October 31, 2018, there were no options issued for mining interest.

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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Options outstanding for mining interest totaled 435,000 at April 30, 2019 and 935,000 options at October 31, 2019 and are fully vested. As of October 31, 2019, the remaining weighted average term of the option grants for mining interest was 4.84 years. As of October 31, 2019, the weighted average exercise price of the option grants for mining interest was \$0.04 per share.

Options issued under the 2011 Stock Option/Restricted Stock Plan

The Company established the 2011 Stock Option/Restricted Stock Plan. The Stock Option Plan is administered by the Board of Directors and provides for the grant of stock options to eligible individual including directors, executive officers and advisors that have furnished bona fide services to the Company not related to the sale of securities in a capital-raising transaction.

The Stock Option Plan has a fixed maximum percentage of 10% of the Company's outstanding shares that are eligible for the plan pool, whereby the number of Shares under the plan increases automatically as the total number of shares outstanding increase. The number of shares subject to the Stock Option Plan and any outstanding awards will be adjusted appropriately by the Board of Directors if the Company's common stock is affected through a reorganization, merger, consolidation, recapitalization, restructuring, reclassification dividend (other than quarterly cash dividends) or other distribution, stock split, spin-off or sale of substantially all of the Company's assets.

The Stock Option plan also has terms and conditions, including without limitations that the exercise price for stock options granted under the Stock Option Plan must equal the stock's fair value, based on the closing price per share of common stock, at the time the stock option is granted. The fair value of each option award is estimated on the date of grant utilizing the Black-Scholes model and commonly utilized assumptions associated with the Black-Scholes methodology. Options granted under the Plan have a ten-year maximum term and varying vesting periods as determined by the Board.

The total value of stock option awards is expensed ratably over the vesting period of the employees receiving the awards. As of October 31, 2019 and 2018, respectively, there was no unrecognized compensation cost related to stock-based options and awards. No options were issued under the 2011 Plan during the three and six months ended October 31, 2019 and 2018, respectively.

The following table summarizes additional information about the options under the Company's Stock Option Plan as of October 31, 2019:

Date of Grant	Options outstanding and exercisable		
	Shares	Price	Remaining Term
October 18, 2016	4,810,000	\$ 0.06	1.97
April 30, 2018	1,400,000	0.065	3.50
Total options	6,210,000	\$ 0.06	2.31

The total value of stock option awards is expensed ratably over the vesting period of the employees receiving the awards. As of October 31, 2019, there was no unrecognized compensation cost related to stock-based options and awards.

Summary:

The following is a summary of the Company's stock options outstanding and exercisable:

Options issued for:	Expiration Date	Options	Weighted Average Exercise Price
Mining interests	April 11, 2020 to January 15, 2029	935,000	\$ 0.04
Stock option plan	October 18, 2021 to April 30, 2023	6,210,000	0.06
Outstanding and exercisable at <del>April</del> 30 October 31, 2019		7,145,000	\$ 0.06

**STAR GOLD CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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The aggregate intrinsic value of all options vested and exercisable at October 31, 2019, was \$Nil based on the Company's closing price of \$0.03 per common share at October 31, 2019. The Company's current policy is to issue new shares to satisfy option exercises.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report and the exhibits attached hereto contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statement that expresses or involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates", or "intends", or states that certain actions, events or results "may" or "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- Risks related to the Company's properties being in the exploration stage;
- Risks related to the mineral operations being subject to government regulation;
- Risks related to environmental concerns;
- Risks related to the Company's ability to obtain additional capital to develop the Company's resources, if any;
- Risks related to mineral exploration and development activities;
- Risks related to mineral estimates;
- Risks related to the Company's insurance coverage for operating risks;
- Risks related to the fluctuation of prices for precious and base metals, such as gold, silver and copper;
- Risks related to the competitive industry of mineral exploration;
- Risks related to the title and rights in the Company's mineral properties;
- Risks related to the possible dilution of the Company's common stock from additional financing activities;
- Risks related to potential conflicts of interest with the Company's management;
- Risks related to the Company's shares of common stock;

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled "Risk Factors and Uncertainties", "Description of Business" and "Management's Discussion and Analysis" of this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Star Gold Corp. disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law. The Company advises readers to carefully review the reports and documents filed from time to time with the Securities and Exchange Commission (the "SEC"), particularly the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

**Star Gold Corp qualifies all forward-looking statements contained in this Quarterly Report by the foregoing cautionary statement.**

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements." These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect," and similar expressions include the Company's expectations and objectives regarding its future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption "Management's Discussion and Analysis or Plan of Operation" and elsewhere in this Quarterly Report.

As used in this Quarterly Report, the terms "we," "us," "our," "Star Gold," and the "Company", mean Star Gold Corp., unless otherwise indicated. All dollar amounts in this Quarterly Report are expressed in U.S. dollars, unless otherwise indicated.

Management's Discussion and Analysis is intended to be read in conjunction with the Company's financial statements and the integral notes ("Notes") thereto included in the Company's Annual Report on Form 10-K for the fiscal year ending April 30, 2019. The following statements may be forward-looking in nature and actual results may differ materially.

## **Corporate Background**

The Company was originally incorporated on December 8, 2006, under the laws of the State of Nevada as Elan Development, Inc. On April 25, 2008, the name of the company was changed to Star Gold Corp. Star Gold Corp. is an exploration stage company engaged in the acquisition and exploration of precious metal deposit properties and advancing them toward production. The Company is engaged in the business of exploring, evaluating and acquiring mineral prospects with the potential for economic deposits of precious and base metals.

Star Gold Corp. currently leases with an option to acquire certain unpatented mining claims located in the State of Nevada which in part make up what we refer to as the "Longstreet Property" (or the "Longstreet Project"). The Longstreet Property in its entirety comprises 125 mineral claims: 75 original optioned claims, of which 70 are unpatented staked claims and five claims leased from local ranchers, pursuant to the "Clifford Lease"; as well as 50 claims subsequently staked by Star Gold. The Longstreet Property covers a total area of approximately 2,500 acres (1,012 ha). The Longstreet Project is at an intermediate stage of exploration.

The Company has no patents, licenses, franchises or concessions which are considered by the Company to be of importance. The business is not of a seasonal nature. Because minerals are traded in the open market, the Company has little to no control over the competitive conditions in the industry.

## **Overview of Mineral Exploration and Current Operations**

Star Gold Corp. is an exploration stage mineral company with no producing mines. Mineral exploration is essentially a research activity that does not produce a product. The Company acquires properties which it believes have potential to host economic concentrations of minerals, particularly gold and silver. These acquisitions have and may take the form of unpatented mining claims on federal land, or leasing claims, or private property owned by others. An unpatented mining claim is an interest, that can be acquired, in the mineral rights on open lands of the federally owned public domain. Claims are staked in accordance with the Mining Law of 1872, recorded with the federal government pursuant to laws and regulations established by the Bureau of Land Management. The Company intends to remain in the business of exploring for mining properties that have the potential to produce gold, silver, base metals and other commodities.

The Company will perform basic geological work to identify specific drill targets on the properties, and then collect subsurface samples by drilling to confirm the presence of mineralization (the presence of economic minerals in a specific area or geological formation). The Company may enter joint venture agreements with other companies to fund further exploration and/or development work. It is the Company's plan to focus on assembling a high-quality group of mid-stage mineral (primarily gold and silver) exploration prospects, using the experience and contacts of the management group. By such prospects, the Company means properties that have been previously identified by third parties, (including prior owners and/or exploration companies), as containing mineral deposits with potential for economic mineralization. Often these properties have been sampled, mapped and sometimes drilled, usually with indefinite results. Accordingly, such acquired projects will have prior exploration history and/or will have strong similarity to a recognized geologic ore deposit model. Geographic emphasis will be place on the western United States.

The geologic potential and ore deposit models have been defined and specific drill targets identified the Company's sole remaining property. The Company's property evaluation process involves using basic geologic fieldwork to perform an initial evaluation of a property. If the evaluation is positive, the Company seeks to acquire, either by staking unpatented mining claims on open public domain, or by leasing the property from the owner of private property or the owner of unpatented claims. Once acquired, the Company then typically makes a more detailed evaluation of the property. This detailed evaluation involves expenditures for exploration work which may include rock and soil sampling, geologic mapping, geophysics, trenching, drilling or other means to determine if economic mineralization is present on a property.



Portions of the Company’s mining properties are owned by third parties and leased to Star Gold as outlined in the following table:

<b>Property name</b>	Longstreet
<b>Third parties</b>	Great Basin Resources, Inc. and Clifford
<b>Number of claims</b>	142 <sup>(1)</sup>
<b>Acres (approx.)</b>	2,500
<b>Agreements/Royalties</b>	
Royalties	3% Net Smelter Royalty (“NSR”)
Annual advance royalty payment	\$12,000

- (1) Great Basin Resources, Inc. (“Great Basin”) took assignment from MinQuest, Inc., of the 142 claims which are leased to the Company under the Longstreet Agreement (which was also assigned to Great Basin) (Note 4 of the financial statements contained in Item 8) and Clifford owns 5 claims (also Note 4) which are managed by the Company.
- (2) On August 12, 2019, the Company and Great Basin Resources, Inc. (“Great Basin”) agreed to amend the Longstreet Agreement (Note 4) to eliminate the required property expenditure structure and to implement new consideration for the transfer of the Property pursuant to that agreement (the “2019 Amendment”). The Amendment eliminated the remainder of the required property expenditures set forth in the Longstreet Agreement, as amended.

### **Compliance with Government Regulations**

Continuing to acquire and explore mineral properties in the State of Nevada will require the Company to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the State of Nevada and the United States Federal agencies.

#### *United States*

Mining in the State of Nevada is subject to federal, state and local law. Three types of laws are of particular importance to the Company’s U.S. mineral properties: those affecting land ownership and mining rights; those regulating mining operations; and those dealing with the environment.

#### *Land Ownership and Mining Rights.*

On Federal Lands, mining rights are governed by the General Mining Law of 1872 (General Mining Law) as amended, 30 U.S.C. §§ 21-161 (various sections), which allows the location of mining claims on certain Federal Lands upon the discovery of a valuable mineral deposit and proper compliance with claim location requirements. A valid mining claim provides the holder with the right to conduct mining operations for the removal of locatable minerals, subject to compliance with the General Mining Law and Nevada state law governing the staking and registration of mining claims, as well as compliance with various federal, state and local operating and environmental laws, regulations and ordinances. As the owner or lessee of the unpatented mining claims, the Company has the right to conduct mining operations on the lands subject to the prior procurement of required operating permits and approvals, compliance with the terms and conditions of any applicable mining lease, and compliance with applicable federal, state, and local laws, regulations and ordinances.

#### *Mining Operations*

The exploration of mining properties and development and operation of mines is governed by both federal and state laws.

The State of Nevada likewise requires various permits and approvals before mining operations can begin, although the state and federal regulatory agencies usually cooperate to minimize duplication of permitting efforts. Among other things, a detailed reclamation plan must be prepared and approved, with bonding in the amount of projected reclamation costs. The bond is used to ensure that proper reclamation takes place, and the bond will not be released until that time. The Nevada Department of Environmental Protection, which is referred to as the NDEP, is the state agency that administers the reclamation permits, mine permits and related closure plans on the Nevada property. Local jurisdictions (such as Eureka County) may also impose permitting requirements (such as conditional use permits or zoning approvals).

#### *Environmental Law*

The development, operation, closure, and reclamation of mining projects in the United States requires numerous notifications, permits, authorizations, and public agency decisions. Compliance with environmental and related laws and regulations requires us to obtain permits issued by regulatory agencies, and to file various reports and keep records of the Company's operations. Certain of these permits require periodic renewal or review of their conditions and may be subject to a public review process during which opposition to the Company's proposed operations may be encountered. The Company is currently operating under various permits for activities connected to mineral exploration, reclamation, and environmental considerations. Unless and until a mineral resource is proved, it is unlikely Star Gold Corp. operations will move beyond the exploration stage. If in the future the Company decides to proceed beyond exploration, there will be numerous notifications, permit applications, and other decisions to be addressed at that time.

## **Competition**

Star Gold Corp. competes with other mineral resource exploration and development companies for financing and for the acquisition of new mineral properties and for equipment and labor related to exploration and development of mineral properties. Many of the mineral resource exploration and development companies with whom the Company competes have greater financial and technical resources. Accordingly, competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford greater geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact Star Gold Corp.'s ability to finance further exploration and to achieve the financing necessary for the Company to develop its mineral properties.

The Company provides no assurance it will be able to compete in any of its business areas effectively with current or future competitors or that the competitive pressures faced by the Company will not have a material adverse effect on the business, financial condition and operating results.

## **Office and Other Facilities**

Star Gold Corp. currently maintains its administrative offices at 1875 Lakewood Drive, Suite 200, Coeur d'Alene, ID 83814. The telephone number is (208) 664-5066. Star Gold Corp. does not currently own title to any real property.

## **Employees**

The Company has no employees as of the date of this Quarterly Report on Form 10-Q. Star Gold Corp. conducts business largely through independent contractor agreements with consultants.

## **Research and Development Expenditures**

The Company has not incurred any research expenditures since incorporation

## **Reports to Security Holders**

The Registrant does not issue annual or quarterly reports to security holders other than the annual Form 10-K and quarterly Forms 10-Q as electronically filed with the SEC. Electronically filed reports may be accessed at [www.sec.gov](http://www.sec.gov). Interested parties also may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 450 Fifth Street NW, Washington, DC 20549. Information may be obtained on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

## **PLAN OF OPERATION**

The Company maintains a corporate office in Coeur d'Alene, Idaho. This is the primary administrative office for the Company and is utilized by Board Chairman Lindsay Gorrill and Chief Financial Officer Kelly Stopher.

During the year ended April 30, 2019, the Company completed the following:

- Wildlife and Biological Baseline Study (WBS)
- Cultural and Archeology Study
- Plan of Operation submitted to US Forestry Service.

For the upcoming fiscal year ending April 30, 2020, the Company plans to commence the following activities as it prepares the EIS on the Longstreet Project:

Hydrology Study (in progress – dependent on Plan of Operations being approved)  
 Geochemical analysis – design of program for submission to State of Nevada (in progress)  
 Plan of Operations Development (Mine Plan, Civil Engineering Designs)

Assuming the results of the above-referenced studies are favorable, the Company intends to proceed to the preparation of an EIS and plan of operation for the Longstreet Project (the “Plan of Operations”). The eventual objectives of the EIS and the Plan of Operations are the issuance, by each responsible agency, of the necessary permits to authorize the construction of, and ongoing operations at, an open pit/heap leach mine at the Longstreet Property.

The Company anticipates the aforementioned tasks to be completed in early 2020, with the EIS prepared in late 2020 and early 2021.

Approval of the Longstreet Plan is subject to governmental agency review and may require additional remediation activities.

Management believes it can source additional capital in the investment markets in the coming months and years. The Company may also consider other sources of funding, including potential mergers, joint ventures and/or farm-out a portion of its exploration properties.

Future liquidity and capital requirements depend on many factors including timing, cost and progress of the Company’s exploration efforts. The Company will consider additional public offerings, private placement, mergers or debt instruments.

Additional financing will be required in the future to complete all necessary steps to apply for a final permit. Although the Company believes it will be able to source additional financing there are no guarantees any needed financing will be available at the time needed or on acceptable terms, if at all. If the Company is unable to raise additional financing when necessary, it may have to delay exploration efforts or property acquisitions or be forced to cease operations. Collaborative arrangements may require the Company to relinquish rights to certain of its mining claims.

## RESULTS OF OPERATIONS

	For the three months ended October 31,		\$ Change	% Change
	2019	2018		
Mineral exploration expense	\$ -	\$ (4,714)	\$ 4,714	(100.0%)
Pre-development expense	28,690	45,766	(17,076)	(37.3%)
Legal and professional fees	19,462	5,357	14,105	263.3%
Management and administrative	61,518	38,490	23,028	59.8%
Depreciation	416	416	-	0.0%
Interest expense	233	200	33	16.5%
Interest (income)	(230)	(591)	361	(61.1%)
NET LOSS	\$ 110,089	\$ 84,924	\$ 25,165	29.6%

	For the six months ended October 31,		\$ Change	% Change
	2019	2018		
Mineral exploration expense	\$ 26,630	\$ 19,914	\$ 6,716	33.7%
Pre-development expense	57,763	90,812	(33,049)	(36.4%)
Legal and professional fees	59,722	35,252	24,470	69.4%
Management and administrative	89,861	69,942	19,919	28.5%
Depreciation	832	832	-	N/A
Interest expense	448	400	48	12.0%
Interest (income)	(716)	(1,149)	433	(37.7%)
NET LOSS	\$ 234,540	\$ 216,003	\$ 18,537	8.6%

The Company earned no operating revenue in 2019 or 2018 and does not anticipate earning any operating revenues in the near future. Star Gold Corp. is an exploration stage company and presently is seeking other natural resources related business opportunities.

The Company will continue to focus its capital and resources toward permitting activities at its Longstreet Property.

Total net loss for the three months ended October 31, 2019 of \$110,089 increased by \$25,165 from 2018 total net loss of \$84,924.

Total net loss for the six months ended October 31, 2019 of \$234,540 increased by \$18,537 from 2018 total net loss of \$216,003.

### **Mineral exploration and consultants' expense**

	For the three months ended October 31,		\$ Change	% Change
	2019	2018		
Drilling and field work	\$ -	\$ (4,714)	\$ 4,714	(100.0%)
Claims	-	-	-	N/A
Total mineral exploration and consultants' expense	\$ -	\$ (4,714)	\$ 4,714	(100.0%)

	For the six months ended October 31,		\$ Change	% Change
	2019	2018		
Drilling and field work	\$ 1,386	\$ (3,910)	\$ 5,296	(135.4%)
Claims	25,244	23,824	1,420	6.0%
Total mineral exploration and consultants' expense	\$ 26,630	\$ 19,914	\$ 6,716	33.7%

Exploration and consultants' expense for the three months ended October 31, 2019 was \$Nil an increase of \$4,714 from 2018 exploration and consultants' expense of (\$4,714). During the three months ended October 31, 2018, the Company received a refund of a reclamation bond for \$5,479 which had previously been expensed.

For the six months ended October 31, 2019, exploration and consultants' expense was \$26,630, an increase of \$6,716 from the prior period ended October 31, 2018.

The Company's emphasis has shifted from exploratory drilling to activities related to pre-development expense including environmental and anthropological studies associated with building a Plan of Operations and obtaining a permit for construct a mine at the Longstreet site.

### **Pre-development expense**

	For the three months ended October 31,		\$ Change	% Change
	2019	2018		
Cultural resources and anthropological	\$ -	\$ 1,096	\$ (1,096)	(100.0%)
Environmental impact and plan of operations	9,909	21,057	(11,148)	-52.9%
Project management	-	19,832	(19,832)	(100.0%)
Water rights costs	3,781	3,781	-	0.0%
Technical consultants	15,000	-	15,000	
Total pre-development expense	\$ 28,690	\$ 45,766	\$ (17,076)	(37.3%)

	For the six months ended October 31,		\$ Change	% Change
	2019	2018		
Flora and fauna contractor	\$ 8,060	\$ 8,837	\$ (777)	(8.8%)

Cultural resources and anthropological	-	1,096	(1,096)	(100.0%)
Environmental impact and plan of operations	21,766	33,070	(11,304)	-34.2%
Project management	5,375	40,247	(34,872)	(86.6%)
Water rights costs	7,562	7,562	-	0.0%
Technical consultants	15,000	-	15,000	N/A
Total pre-development expense	<u>\$ 57,763</u>	<u>\$ 90,812</u>	<u>\$ (33,049)</u>	<u>(36.4%)</u>

Pre-development expense for the three months ended October 31, ~~2018~~ 2019 was \$28,690, a decrease of \$17,076 from 2018 pre-development expense of \$45,766.

Technical consultant expense increased in 2019 due to a consulting contract executed with Great Basin Resources, Inc. as consideration for amending the Longstreet Property Agreement. Under the terms of the agreement, Great Basin will provide consulting and geologic expertise for a period of 18 months at a monthly rate of \$7,500 per month until March 2021.

Pre-development expense for the six months ended October 31, 2019 was \$57,763, a decrease of \$33,049 from 2018 pre-development expense of \$90,812.

The Company is currently assembling bids from engineering firms for development of a full Plan of Operations and Mine Schedule for development and eventual submission of an application to permit construction of a heap leach mining operation on the Longstreet property.

On November 4, 2019, the United States Department of Agriculture-Forest Service approved the Company's Longstreet Exploration Project which includes drilling of two test holes for water and a monitoring well to determine sufficient water supply for a potential mine at the Longstreet site.

#### Legal and professional fees

	For the three months ended October 31,		\$ Change	% Change
	2019	2018		
Audit and accounting	\$ 3,000	\$ 3,000	\$ -	0.0%
Legal fees	7,975	1,925	6,050	314.3%
Public company expense	2,895	432	2,463	570.1%
Investor relations	5,592	-	5,592	N/A
Total legal and professional fees	<u>\$ 19,462</u>	<u>\$ 5,357</u>	<u>\$ 14,105</u>	<u>263.3%</u>

	For the six months ended October 31,		\$ Change	% Change
	2019	2018		
Audit and accounting	\$ 18,000	\$ 18,000	\$ -	0.0%
Legal fees	10,175	4,263	5,912	138.7%
Public company expense	18,259	12,989	5,270	40.6%
Investor relations	13,288	-	13,288	N/A
Total legal and professional fees	<u>\$ 59,722</u>	<u>\$ 35,252</u>	<u>\$ 24,470</u>	<u>69.4%</u>

Audit and accounting fees for the three months ended October 31, 2019 remained unchanged compared to the three- and six-months ended October 31, 2018.

Legal fees increased \$6,050 and \$5,912 from the three and six months ended October 31, 2018, respectively, to \$7,975 and \$10,175 for the three and six months ended October 31, 2019, respectively. The increase in legal fees is primarily as the result of non-recurring expenses related to preparation of contracts and documentation for the Longstreet Property Option Agreement Amendment (Note 4 to the Financial Statements). There are no pending legal issues or contingencies as of October 31, 2019.

The primary component of public company expense is the annual fee associated with OTC Markets for the Company's OTCQB status. Public company expense increased \$2,463 and \$5,270, respectively for the three and six months ended October 31, 2019 compared to October 31, 2018.

### General and administrative expense

	For the three months ended October 31,		\$ Change	% Change
	2019	2018		
Auto and travel	\$ 7,081	\$ 13,091	\$ (6,010)	(45.9%)
General administrative and insurance	9,641	8,819	822	9.3%
Management fees and payroll	43,660	13,253	30,407	229.4%
Office and computer expense	957	2,320	(1,363)	(58.8%)
Rent and lease expense	-	750	(750)	(100.0%)
Telephone and utilities	179	257	(78)	(30.4%)
Total general and administrative	\$ 61,518	\$ 38,490	\$ 23,028	59.8%

	For the six months ended October 31,		\$ Change	% Change
	2019	2018		
Auto and travel	\$ 11,928	\$ 20,750	\$ (8,822)	(42.5%)
General administrative and insurance	19,282	17,640	1,642	9.3%
Management fees and payroll	56,320	26,506	29,814	112.5%
Office and computer expense	1,976	2,951	(975)	(33.0%)
Rent and lease expense	-	1,500	(1,500)	(100.0%)
Telephone and utilities	354	595	(241)	(40.3%)
Total general and administrative	\$ 89,860	\$ 69,942	\$ 19,918	28.5%

Total general and administrative expense increased \$23,028 for the three months ended October 31, 2019 to \$61,518 compared to \$38,490 for the three months ended October 31, 2018. The Company determined members of management should be compensated for their time and expertise and accrued management fees for certain board members and directors to be paid at some future date.

Total general and administrative expense increased \$19,919-918 to \$89,861-860 for the six months ended October 31, 2019 compared to \$69,942 for the six months ended October 31, 2018.

### LIQUIDITY AND FINANCIAL CONDITION

#### WORKING CAPITAL

	October 31, 2019	April 30, 2019
Current assets	\$ 117,555	\$ 463,161
Current liabilities	34,590	19,246
Working capital	\$ 82,965	\$ 443,915

#### CASH FLOWS

	For the six months ended	
	October 31, 2019	October 31, 2018
Cash flow used by operating activities	\$ (209,949)	\$ (218,363)
Cash flow used by investing activities	(129,800)	(12,000)
Cash flow provided by financing activities	-	-
Net decrease in cash during period	\$ (339,749)	\$ (230,363)

As of October 31, 2019, the Company had cash on hand of \$100,567. Since inception, the sole source of financing has been sales of the Company's debt and equity securities. Star Gold Corp. has not attained profitable operations and its ability to pursue

any future plan of operation is dependent upon our ability to obtain financing.

Star Gold Corp. anticipates continuing to rely on sales of its debt and/or equity securities in order to continue to fund ongoing operations. Issuances of additional shares of common stock may result in dilution to the Company's existing stockholders. There is no assurance that the Company will be able to complete any additional sales of equity securities or that it will be able arrange for other financing to fund its planned business activities.

The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing as may be required, or ultimately to attain profitability. Potential sources of cash, or relief of demand for cash, include additional external debt, the sale of shares of the Company's stock or alternative methods such as mergers or sale of the Company's assets. No assurances can be given, however, that the Company will be able to obtain any of these potential sources of cash. The Company currently requires additional cash funding from outside sources to sustain existing operations and to meet current obligations and ongoing capital requirements.

The Company has sufficient capital to meet its obligations for the next twelve months but will require additional financing to complete its planned permitting tasks.

The Company plans for the long-term continuation as a going concern include financing future operations through sales of our equity and/or debt securities and the anticipated profitable exploitation of the Company's mining properties. These plans may also, at some future point, include the formation of mining joint ventures with senior mining company partners on specific mineral properties whereby the joint venture partner would provide the necessary financing in return for equity in the property.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to its stockholders.

#### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company does not hold any derivative instruments and does not engage in any hedging activities.

#### **ITEM 4. CONTROLS AND PROCEDURES**

##### **Conclusions of Management Regarding Effectiveness of Disclosure Controls and Procedures**

At the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company's management, including the President and Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), of the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation, the PEO and the PFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were not effective as it was determined that there were material weaknesses affecting our disclosure controls and procedures.

Management of the Company believes that these material weaknesses are due to the small size of the Company's accounting staff. The small size of the Company's accounting staff may prevent adequate controls in the future, such as segregation of duties, due to the cost/benefit of such remediation. To mitigate the current limited resources and limited employees, we rely heavily on direct management oversight of transactions, along with the use of external legal and accounting professionals. As the Company grows, management expects to increase the number of employees, which will enable us to implement adequate segregation of duties within the internal control framework.

##### **PEO and PFO Certifications**

Appearing immediately following the Signatures section of this report there are Certifications of the PEO and the PFO. The Certifications are required in accordance with Section 03 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certifications). This Items of this report which you are currently reading is the information concerning the Evaluation referred to in Section 302 Certifications and this information should be read in conjunction with Section 302 Certifications for a more complete understanding of the topics presented.

## Changes in Internal Control over Financial Reporting

There have been no changes during the quarter ended October 31, 2019 in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

Star Gold Corp. is not a party to any material legal proceedings, and, to Management's knowledge, no such proceedings are threatened or contemplated. No director, officer or affiliate of Star Gold Corp. and no owner of record or beneficial owner of more than 5% of the Company's securities or any associate of any such director, officer or security holder is a party adverse to Star Gold Corp. or has a material interest adverse to Star Gold Corp. in reference to pending litigation.

### ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors as previously disclosed in the Company's Form 10-K for the year ended April 30, 2019 which was filed with the SEC on July 22, 2019.

### ITEM 2. RECENT SALES OF UNREGISTERED SECURITIES.

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

### ITEM 4. MINE SAFETY DISCLOSURES.

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. The Company is in the exploration stage and has no operations.

### ITEM 5. OTHER INFORMATION.

None

### ITEM 6. EXHIBITS.

#### Exhibit

#### Number Description of Exhibits

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3.1 [Articles of Incorporation.](#)<sup>(1)</sup>

3.2 [Bylaws, as amended.](#)<sup>(1)</sup>

4.1 [Form of Share Certificate.](#)<sup>(1)</sup>

10.1 [Purchase Agreement dated June 22, 2004 between Guy R. Delorme and Star Gold Corp.](#)<sup>(1)</sup>

10.2 [Declaration of Trust executed by Guy R. Delorme.](#)<sup>(1)</sup>

14.1 [Code of Ethics.](#)<sup>(2)</sup>



99.1	Property Option Agreement dated January 15, 2010 between Minquest, Inc., and Star Gold Corp.
99.1	Amendment to Longstreet Property Option Agreement dated December 10, 2014 between Minquest, Inc. and Star Gold Corp.
99.1	Amendment to Longstreet Property Option Agreement dated January 5, 2016 between Minquest, Inc. and Star Gold Corp.
99.1	Option and Lease of Water Rights Agreement dated January 19, 2017 between Stone Cabin Company, LLC and Star Gold Corp.
99.1	<a href="#">Option and Lease of Water Rights Agreement dated August 21, 2017 between High Test Hay, LLC and Star Gold Corp.</a>
10.5	<a href="#">2019 Amendment to Longstreet Property Option Agreement</a>
99.2	<a href="#">Shareholder Letter January 23, 2017</a>
99.2	<a href="#">Shareholder Letter March 20, 2018</a>
99.2	<a href="#">Longstreet Property Press Release August 14, 2019</a>
99.2	<a href="#">Shareholder Letter September 10, 2019</a>
31.1	<a href="#">Certification of Principal Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Principal Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Principal Executive Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2	<a href="#">Certification of Principal Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS(2)	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Taxonomy Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation
(1)	Filed with the SEC as an exhibit to the Company's Registration Statement on Form SB-2 originally filed on June 14, 2007, as amended.
(2)	Filed with the SEC, on February 02, 2012, as an exhibit to Form 8-K.
(*)	XBRL Information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended and otherwise is not subject to liability under these sections.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**STAR GOLD CORP.**

Date: December 13, 2019 By: /s/ **DAVID SEGELOV**  
President  
(Principal Executive Officer)

Date: December 13, 2019 By: /s/ **KELLY J. STOPHER**  
Kelly J. Stopher  
Chief Financial Officer and Secretary  
(Principal Financial Officer)

**Exhibit 31.1**

**CERTIFICATION  
PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLY ACT OF 2002**

**Rule 13a-14(a)/15d-14(a) Certifications.**

I, David Segelov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Star Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) of the registrant, and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation and;
  - d. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 13, 2019

*/s/ David Segelov*

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David Segelov  
President and Principal Executive Officer

**Exhibit 31.2**

**Certification of Principal Accounting Officer  
Pursuant to Section 302 of Sarbanes-Oxley Act**

I, Kelly J. Stopher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Star Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) of the registrant, and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation and;
  - d. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - e. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - f. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 13, 2019

/s/ KELLY J. STOPHER

Kelly J. Stopher

Principal Accounting Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Star Gold Corp. a Nevada corporation (the "Company") on Form 10-Q for the period ending October 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Segelov, Principal Executive Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Star Gold Corp., and will be retained by Star Gold Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

*/s/ David Segelov*

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David Segelov  
President & Principal Executive Officer  
December 13, 2019

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Star Gold Corp. a Nevada corporation (the "Company") on Form 10-Q for the period ending October 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Kelly J. Stopher, Principal Accounting Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Star Gold Corp. and will be retained by Star Gold Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

*/s/ Kelly J. Stopher*

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Kelly J. Stopher  
Principal Accounting Officer  
December 13, 2019