TISDALE RESOURCES CORP.

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of
Tisdale Resources Corp.

Opinion

We have audited the consolidated financial statements of Tisdale Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in deficiency and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
April 5, 2021

TISDALE RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current assets		
Cash	$ 1,669	$ 2,496
Amounts receivable	62	838
	$ 1,731	$ 3,334
LIABILITIES		
Current liabilities		
Trade and other payables (note 6)	$ 120,545	$ 23,406
Loans payable (note 7)	254,685	-
	375,230	23,406
Long term liabilities		
Loans payable (note 7)	-	230,538
	375,230	253,944
SHAREHOLDERS' DEFICIENCY		
Share capital (note 8)	12,948,740	12,900,151
Warrants reserve (note 9)	76,727	76,727
Share-based payment reserve (note 9)	250,442	250,442
Deficit	(13,649,408)	(13,477,930)
	(373,499)	(250,610)
	$ 1,731	$ 3,334

Nature and continuance of operations (note 1)
Subsequent event (note 13)

Approved on behalf of the Board:

Director *"Alex Klenman"*
Alex Klenman

Director *"Mark Ferguson"*
Mark Ferguson

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

TISDALE RESOURCES CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Exploration expenditures: acquisition, maintenance, exploration and geological consulting (note 5)	$ -	$ 7,061
General and administrative expenses		
Consulting fees	60,000	54,847
Filing and transfer agent fees	21,862	14,762
Interest (note 7)	25,621	15,585
Management fees (note 10)	16,800	19,150
Office	146	317
Professional fees	26,410	24,941
Share-based compensation	20,639	-
	171,478	129,602
Loss before other items	(171,478)	(136,663)
Other items		
Gain on modification of debt (note 7)	-	4,466
Gain on accounts payable reversal	-	65,038
Net loss and comprehensive loss	$ (171,478)	$ (67,159)
Basic and diluted loss per share	$ (0.15)	$ (0.06)
Weighted average number of common shares outstanding	1,111,499	1,092,350

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

TISDALE RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Number of Shares	Share Capital $	Warrants Reserve $	Share-based Payment Reserve $	Deficit $	Total $
Balance at January 1, 2019	1,092,350	12,900,151	76,727	250,442	(13,410,771)	(183,451)
Net loss	-	-	-	-	(67,159)	(67,159)
Balance at December 31, 2019	1,092,350	12,900,151	76,727	250,442	(13,477,930)	(250,610)
Stock options exercised (Note 9)	43,000	48,589	-	(20,639)	-	27,950
Share based payments (Note 9)	-	-	-	20,639	-	20,639
Net loss	-	-	-	-	(171,478)	(171,478)
Balance at December 31, 2020	1,135,350	12,948,740	76,727	250,442	(13,649,408)	(373,499)

Note: On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All appropriate figures in these consolidated financial statements have been updated to reflect the share consolidation.

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

TISDALE RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash provided by (used in):		
Operating activities		
Net loss	$ (171,478)	$ (67,159)
Items not affecting cash:		
Interest and accretion on loan	25,621	15,585
Share-based compensation	20,639	-
Gain on modification of debt	-	(4,466)
Gain on accounts payable reversal	-	(65,038)
Change in non-cash working capital items:		
Amounts receivable	776	19,322
Trade and other payables	70,665	10,214
Net cash flows used in operating activities	(53,777)	(91,542)
Financing activities		
Proceeds from exercise of stock options	27,950	-
Loan advances	25,000	-
Loan repayment	-	(45,000)
Net cash flows (used in) provided by financing activities	52,950	(45,000)
Change in cash during the year	(827)	(136,542)
Cash, beginning of the year	2,496	139,038
Cash, end of the year	$ 1,669	$ 2,496
Supplemental disclosure of cash flow information:		
Interest paid	$ -	$ -
Non-cash transactions:		
Loans received upon conversion of accounts payable into loans payable (Note 7)	$ -	$ 60,000

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

1. Nature and Continuance of Operations

Tisdale Resources Corp. (the "Company"), listed on the TSX-Venture Exchange ("TSX-V") as ("TRC"), is a corporation continued under the laws of the Province of British Columbia with its principal, registered and records office located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All appropriate figures in these consolidated financial statements have been updated to reflect the share consolidation.

The Company is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests in North America. At the date of the consolidated financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company continues to incur operating losses and at December 31, 2020 had a cumulative deficit of $13,649,408 and a working capital deficiency of $373,499. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in notes 3 and 4.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

These consolidated financial statements were authorized for issue on April 5, 2021 by the directors of the Company.

2. Significant Accounting Policies and Basis of Preparation

(a) Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company is the Canadian dollar.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries, after the elimination of all material intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The Company's controlled subsidiaries included in these consolidated financial statements are:

Name	Country of Incorporation	Ownership	
		2020	2019
515427 BC Ltd.	Canada	100%	100%
Gunnar Minerals Corp.	Canada	100%	100%
Keefe Lake Projects Inc.	Canada	100%	100%

515427 BC Ltd. had no commercial activities during the current or previous year.

On September 13, 2017, the Company acquired Gunnar Minerals Corp. which held the right to acquire a 100% interest in the Carter Lake uranium project.

On November 24, 2017, the Company acquired Keefe Lake Projects Inc. which held the right to acquire a 100% interest in the Keefe Lake uranium project.

2. Significant Accounting Policies and Basis of Preparation, continued

(c) Significant judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- modification versus extinguishment of financial liability;
- the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the classification of financial instruments.

(d) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

(e) Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Significant Accounting Policies and Basis of Preparation, continued

(f) Deferred tax assets and liabilities

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

(g) Exploration and evaluation assets

Exploration and evaluation expenditures are expensed as incurred. If it is determined by management that probable future benefits, consisting of contributions to future cash inflows, had been identified and adequate financial resources were expected to be available to meet the terms of property acquisition and budgeted maintenance, exploration, and development expenditures, these costs would be capitalized. To date, these criteria have not been met on any of the Company's mineral properties.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments for acquired mineral properties are recorded as property costs and expensed. Proceeds of properties that are sold or optioned are recorded as revenues.

(h) Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of December 31, 2020, the Company does not have any asset retirement or environmental obligations.

2. Significant Accounting Policies and Basis of Preparation, continued

(i) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction, whereas nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are recognized in the consolidated statement of comprehensive loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in the consolidated statement of comprehensive loss, any exchange component of that gain or loss is also recognized in the statement of comprehensive loss.

(j) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. The Company has classified its cash as a financial asset measured at fair value through profit and loss.

2. Significant Accounting Policies and Basis of Preparation, continued

(j) Financial instruments, continued

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its trade and other payables and a loan payable as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the

2. Significant Accounting Policies and Basis of Preparation, continued

(j) Financial instruments, continued

estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of trade and other payable and loans payable. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

(k) New Accounting Standard Adopted

There were no new standards effective January 1, 2020 that had an impact on the Company's consolidated financial statements.

(l) New or revised accounting standard not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these consolidated financial statements. The following pronouncement is considered by the Company to be the most significant that may affect the consolidated financial statements in future periods.

2. Significant Accounting Policies and Basis of Preparation, continued

(l) New or revised accounting standard not yet adopted, continued

IFRS 3 – Definition of a Business

In October 2018, the IASB issued amendments to IFRS 3 – Definition of a Business which:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an option concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020, and to asset acquisitions that occurred on or after the beginning of that period. Earlier application is permitted. The Company does not expect any material impact upon adoption.

3. Capital Management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its capital to be the accounts within shareholders' deficiency. The Company's policy is to maintain sufficient cash balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements. There have been no changes in the Company's approach to capital management during the year.

4. Financial Instruments and Risk Management

As at December 31, 2020, the Company's financial instruments consist of cash, loans and trade and other payables.

In management's opinion, the Company's carrying values of cash, trade and other payables and loans payable approximate their fair values due to the immediate or short term maturity of these instruments.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Currently the Company does not have any material exposure to credit risk. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet trade and other payables and loans payable requirements. The Company tries to achieve this by maintaining sufficient cash to cover current liabilities as they mature. As at December 31, 2020, the Company had a working capital deficiency of $373,499 (2019 - $20,072). Liquidity risk is assessed as high.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at December 31, 2020, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

Interest Rate Risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity.

5. Exploration and Evaluation Properties

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company had investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

It is the Company's policy to expense exploration and evaluation expenditures as incurred. See schedule below for details of expenditures in the years ended December 31, 2020 and 2019. As at December 31, 2020, the Company owned or had royalty interests or lease options on the following mineral property interests:

Carter Lake Uranium Project, South-western Saskatchewan

On September 13, 2017, the Company entered into a share purchase agreement with Gunnar Minerals Corp. (“Gunnar”) pursuant to which it acquired 100% of the shares of Gunnar in consideration for a cash payment of $1,700,000. Gunnar holds the rights to acquire the Carter Lake Uranium Project, located in the southwestern corner of the Athabasca basin, Saskatchewan after signing an agreement with Doctors Investment Group Ltd. (“Doctors”) to acquire 100% interest in and to the property on April 8, 2017. The project covers approximately 1,113 hectares on the Carter Lake corridor. The Carter Lake uranium project is subject to a 2% net smelter return royalty, one-half of which can be purchased in consideration for a cash payment of $2,000,000.

In consideration of the grant of the right by Doctors to purchase 100% undivided interest in the property, Gunnar shall pay:

(a) $100,000 in cash within 5 days of Gunnar entering into an assignment or other material agreement for an interest in the Property with an issuer with shares trading on a recognized stock exchange (issued on September 13, 2017) but in any event no later than 90 days after the signing of this agreement (paid July 5, 2017);
(b) A further $100,000 in cash and completing no less than $250,000 in qualified exploration expenditures on the Property, on or before April 8, 2019 (unpaid);
(c) A further $100,000 in cash and completing no less than $500,000 in qualified exploration expenditures on the Property, on or before April 8, 2020;
(d) A further $100,000 in cash and completing no less than $1,000,000 in qualified exploration expenditures on the Property, on or before April 8, 2021;
(e) At Gunnar's election, cash payments can be paid to Doctors in lieu of completing qualified exploration expenditures on the Property.

The Company has elected to terminate its option to acquire the Carter Lake Uranium Project.

5. Exploration and Evaluation Properties, continued

Keefe Lake Projects, North-eastern Saskatchewan

On November 24, 2017, the Company acquired 100% of the shares of Keefe Lake Projects Inc. Subject to existing royalty rights, Keefe Lake Projects Inc. holds a 100-per-cent interest in the Keefe Lake uranium project, an advanced exploration project that covers an area of approximately 15,400 hectares, on the eastern side of the Athabasca basin, in northeastern Saskatchewan, Canada.

Exploration and Evaluation Expenditures

	Property	Acquisition $	Maintenance $	Exploration $	Total Expended $
Year ended December 31, 2020					
	Carter Lake	-	-	-	-
		-	-	-	-
Year ended December 31, 2019					
	Carter Lake	-	6,561	500	7,061
		-	6,561	500	7,061

6. Trade and Other Payables

	2020	2019
Trade	$ 78,459	$ 9,794
Other payables[1]	15,612	13,612
Advances payable[2]	26,474	-
	$ 120,545	$ 23,406

[1] Included in other payables is an amount of $7,612 that was assigned to an investor on August 19, 2019. This payable amount is unsecured, non-interest bearing and due on demand.

[2] These advances represent an aggregate amount of $25,000 in funds advanced by an investor who is assisting in implementing the Company's business plan. Receipt of these advances is providing the working capital for the Company to prepare its consolidated financial statements and for corporate registrations. The loans are unsecured, bear interest at 10% per annum and due on demand. As at December 31, 2020, $1,474 (2019 - $Nil) in accrued interest was included in trade and other payables.

7. Loans Payable

On March 29, 2018, the Company entered into a debt modification agreement with Apollo Innovative Solutions Inc. (the "Creditor"). The Creditor agreed to convert its outstanding accounts payable of $190,000 into a note due on July 1, 2019 and the Company hereby agreed to pay the Creditor 10% interest on the outstanding balance, payable on maturity of the note. During March, 2019, the Company repaid $45,000 of the principal balance.

On December 31, 2019, the Creditor agreed to convert its outstanding accounts payable of $60,000 into a note, the balance to be added to the existing loan payable of $145,000. The Creditor also agreed to extend the repayment date of the note plus accrued interest of $30,004 to July 1, 2021. The Company agreed to pay the Creditor 10% interest on the outstanding balance, payable on maturity of the note.

The Company determined that the extension of the maturity date on the original loan amount of $145,000 net of the payment of $45,000 paid in 2019 represented a non-substantial modification of financial liabilities under IFRS 9, as the respective differences between the net present value of the cash flows under the modified terms was less than 10 percent different from the net present value from the remaining cash flows of the loan prior to modification, both discounted at the original effective interest rate, resulting in a gain on modification of $4,466 recognized in profit or loss.

The loan as at December 31, 2019 for total principal amount of $205,000 has also been valued at the present value of anticipated future repayments using a discount rate of 10%, which represents the estimated borrowing rate to the Company for a similar loan and anticipated repayment terms. The loan will be accreted to its face value over the term to maturity of the loan at an effective interest rate of approximately 9.70%.

The following table summarizes the accounting for the loans payable:

	$
Balance, December 31, 2018	**204,419**
Payments made	(45,000)
Interest accrued	15,585
Note payable	60,000
Gain on modification of debt	(4,466)
Balance, December 31, 2019	**230,538**
Interest accrued	21,446
Accretion	2,701
Balance, December 31, 2020	**254,685**

8. Share Capital

(a) Authorized:

Unlimited number of common shares without par value
Unlimited number of special shares issuable in series without par value

(b) Common shares issued:

2020

At December 31, 2020, there were 1,135,350 issued and fully paid common shares post consolidation.

On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All figures as to the number of common shares, stock options, warrants, and loss-per-share in these consolidated financial statements have been retroactively restated to reflect the consolidation.

On July 7, 2020, the Company granted 43,000 incentive stock options to consultants of the Company. These options vested immediately and are exercisable at $0.65 per share for a period of three years, expiring July 7, 2023. On July 21, 2020, the Company issued 43,000 common shares pursuant to the exercise of these share options for gross proceeds of $27,950.

2019

There were no share transactions in the year ended December 31, 2019.

(c) Warrants

Warrant activity for the years ended December 31, 2020 and 2019 is presented below:

	2020		2019	
	Number of Warrants	**Weighted average exercise price**	**Number of Warrants**	**Weighted average exercise price**
Outstanding - beginning of year	55,000	$ 2.60	55,000	$ 2.60
Expired	(55,000)	2.60	-	-
Outstanding - end of year	-	$ -	55,000	$ 2.60

On December 3, 2020, 55,000 share purchase warrants expired unexercised.

8. Share Capital, continued

(d) Stock options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

- Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
- Individual incentive share purchase options will have no more than a maximum term of five (5) years from the date of their grant;
- Incentive share purchase options granted to any one individual in any 12 month period cannot exceed 5% of the issued and outstanding shares of the Company;
- Individual incentive share purchase options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Company; and
- Individual incentive share purchase option agreements granted to an employee or consultant conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any twelve month period.

The following table summarizes activity related to stock options for the years ended 2020 and 2019:

	2020		2019	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding - beginning of year	-	$ -	-	$ -
Granted	43,000	0.65	-	-
Exercised	(43,000)	0.65	-	-
Outstanding - end of year	-	$ -	-	$ -

During the year ended December 31, 2020, the Company recorded share-based compensation of $20,639 (2019 – $Nil) related to the issuance of stock options. The weighted average fair value at grant date of options granted during the year ended December 31, 2020 was $0.50 per option. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	2020
Expected stock price volatility	113%
Risk-free interest rate	0.29%
Dividend yield	-
Expected life of options	3 years
Stock price on date of grant	$0.70
Forfeiture rate	-

9. Reserves

(a) Warrants reserve

This reserve records the incremental increase in the fair value of previously outstanding warrants resulting from a re-pricing.

(b) Share-based payments reserve

This reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the share-based payments reserve account.

10. Related Party Transactions and Balances

Related Party Transactions

Key management compensation for the years ended December 31, 2020 and 2019 consisted of the following:

- Management fees in the amount of $16,800 (2019 - $19,150) were paid as follows: to a former director of the Company $Nil (2019 - $8,750); a director and officer $4,800 (2019 - $2,400); and a company controlled by a director and officer $12,000 (2019 - $8,000).

Related Party Balances

At December 31, 2020 and 2019, there were no amounts owing to directors or management in respect of fees.

11. Deferred Taxes

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2020	2019
Loss before income taxes	$ (171,478)	$ (67,159)
Statutory income tax rate	27.00%	27.00%
Income tax recovery at statutory rate	(46,299)	(18,133)
Permanent differences and other	23,862	(17,560)
Change in deferred tax benefits not recognized	22,437	35,693
Deferred income tax recovery	$ -	$ -

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2020	2019
Deferred income tax assets		
Non-capital losses available for future period	$ 1,395,448	$ 1,373,011
Present value of loans payable	(1,206)	(1,206)
Exploration and evaluation assets	1,290,869	1,290,869
Deferred tax assets not recognized	(2,685,111)	(2,662,674)
	$ -	$ -

The Company has losses carried forward of approximately $5,168,000 available to reduce income taxes in future years which begin to expire in 2025. In addition, the Company has accumulated Canadian Exploration Expenses of approximately $208,000 and Canadian Development Expenses of approximately $4,573,000 for income tax purposes. The expenditure pools can be carried forward indefinitely to be applied against income of future years.

12. Operating Segment

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (Saskatchewan).

13. Subsequent event

On January 27, 2021, the Company raised gross proceeds of $355,200 by way of a non-brokered private placement of 740,000 units issued priced at $0.48 per unit. Each unit consists of one common share and one common share purchase warrant with an exercise price of $0.60 and has an expiry date of three years.