NORSEMONT MINING INC.
(Formerly Norsemont Capital Inc.)

Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Norsemont Mining Inc. (formerly Norsemont Capital Inc.):

Opinion

We have audited the consolidated financial statements of Norsemont Mining Inc. (the “Company”), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flow for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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.

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 *Auditor's 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on 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. The other information comprises the information included in Management’s Discussion and Analysis.

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.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, 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, 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.

Auditor's 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 auditor's 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 auditor’s 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 auditor’s 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.

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 auditor's report is Cherry Ho.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
April 30, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

NORSEMONT MINING INC. (Formerly Norsemont Capital Inc.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		December 31, 2020		December 31, 2019
Assets					
Current					
Cash	9	$	7,604,968	$	260,781
Amounts receivable			4,477		-
Goods and services tax receivable			32,418		2,700
Prepaid and deposits	7		137,892		2,000
Loan receivable	7		23,500		-
Share subscription receivable	6		46,455		-
			7,849,710		265,481
Non-current					
Equipment, net			2,950		1,288
Mineral properties	4		27,515,177		-
Total Assets		**$**	**35,367,837**	**$**	**266,769**
Liabilities					
Current:					
Accounts payable and accrued liabilitites	5	$	143,686	$	115,815
Amount owing on mineral properties	4		636,600		-
			780,286		115,815
Shareholder's equity					
Share capital	6		43,433,212		5,074,882
Reserves	6		1,914,600		273,785
Deficit			(10,760,261)		(5,197,713)
			34,587,551		150,954
		$	**35,367,837**	**$**	**266,769**

Nature of operations (Note 1)
Subsequent events (Note 12)

The consolidated financial statements were approved by the Board of Directors on April 29, 2021 and were signed on its behalf by:

"Marc Levy"
Director

"Charles Ross"
Director

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

NORSEMONT MINING INC. (Formerly Norsemont Capital Inc.)

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Years Ended December 31,	
	Note	2020	2019
Expenses			
Consulting fees	7	$ 974,535	$ 124,796
Investor Communications		1,797,007	
Depreciation		739	378
Exploration cost	8	385,456	-
Marketing and Promotion		288,414	-
Office, rent and administration	5, 7	109,830	51,133
Professional fees	5, 7	247,745	38,597
Regulatory fees		33,628	10,590
Salaries & Benefits	7	189,064	-
Share-based payments	6	1,650,786	96,781
Transfer agent and shareholder communication		31,840	8,410
Travel		14,430	1,455
Loss before other items		(5,723,474)	(332,140)
Foreign exchange gain		158,238	-
Interest income		2,688	26
Net loss for the period		(5,562,548)	(332,114)
Comprehensive loss for the period		$ (5,562,548)	$ (332,114)
Loss per common share - basic and diluted		(0.17)	(0.03)
Weighted average number of common shares outstanding - basic and diluted		33,098,115	12,796,141

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

NORSEMONT MINING INC. (Formerly Norsemont Capital Inc.)

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital				
	Note	Common Shares	Amount	Reserves	Deficit	Total Shareholders' Equity
		#	$	$	$	$
Balance, December 31, 2018		11,928,162	4,668,526	231,515	(4,901,366)	(1,325)
Shares issued for private placement	6	1,254,667	376,400	-	-	376,400
Less: Share issuance costs		-	(1,005)	-	-	(1,005)
Shares issued for exercise of warrants	6	100,000	7,000	-	-	7,000
Shares issued for exercise of stock options	6	56,667	5,217	-	-	5,217
Share-based payments	6	-	-	96,781	-	96,781
Fair market value of stock options exercised	6	-	18,744	(18,744)	-	-
Fair market value of stock options cancelled	6	-	-	(35,767)	35,767	-
Net loss for the period		-	-	-	(332,114)	(332,114)
Balance, December 31, 2019		**13,339,496**	**5,074,882**	**273,785**	**(5,197,713)**	**150,954**
Shares issued for private placement	6	20,182,500	15,701,808	-	-	15,701,808
Less: Share issue costs	6	13,076	(590,780)	102,899	-	(487,881)
Shares issued for purchase of Chile property	4, 6	15,000,000	22,229,625	-	-	22,229,625
Shares issued for exercise of warrants	6	2,735,668	752,635	-	-	752,635
Shares issued for exercise of stock options	6	589,333	152,173	-	-	152,173
Share-based payments	6	-	-	1,650,786	-	1,650,786
Fair market value of stock options exercised	6	-	112,870	(112,870)	-	-
Net loss for the period		-	-	-	(5,562,548)	(5,562,548)
Balance, December 31, 2020		**51,860,073**	**43,433,213**	**1,914,600**	**(10,760,261)**	**34,587,552**

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

NORSEMONT MINING INC. (Norsemont Capital Inc.)

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years ended December 31, 2020	2019
Operating activities:		
Loss for the period	$ (5,562,548)	$ (332,114)
Adjustment for non-cash items:		
Shares for service	235,000	-
Depreciation	739	378
Share-based payments	1,650,786	96,781
Changes in working capital items:		
Prepaid expenses and deposits	(135,892)	-
Loan receivable	(23,500)	-
Interest receivable	(4,477)	101
Goods and services tax receivable	(29,718)	(540)
Accounts payable & accrued liabilities	115,870	88,495
	(3,753,740)	(146,899)
Investing activities:		
Acquisition of mineral properties	(4,648,952)	-
Purchase of equipment	(2,401)	(750)
	(4,651,353)	(750)
Financing activities:		
Private placement	15,322,546	375,395
Share issue cost	(478,074)	-
Exercise of warrants	752,635	7,000
Exercise of options	152,173	5,217
	15,749,280	387,612
Increase in cash during the period	7,344,187	239,963
Cash, beginning of period	260,781	20,818
Cash, end of period	7,604,968	260,781
Non-cash financing activites:		
Shares issued for debt settlement	88,000	-
Shares issued for finders' fees	9,807	-
Warrants issued for finders' fees	102,899	-

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

1. Nature of Operations

Norsemont Mining Inc. ("the Company") was incorporated on July 26, 2000 under the Canada Business Corporations Act and continued into BC under the British Columbia Corporations Act on January 30, 2016 as Norsemont Capital Inc.. On February 22, 2020, the Company change its name to Norsemont Mining Inc..

The Company's common shares are traded on the Canadian Securities Exchange ("Exchange") under the symbol "NOM".

The head office, principal address and records office of the Company are located at Suite 610 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company's registered office address is Suite 700 - 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5.

The Company is engaged in the acquisition, exploration, and development of mineral properties. During the year ended December 31, 2020 the Company entered into an option agreement to acquire a 100% interest in the Burge Lake Project located in the Province of Quebec and purchased 100% interest in the Choquelimpie gold and silver project ("Choquelimpie Project") in northern Chile.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2020, the Company had a working capital of $7,069,424 (December 31, 2019 - working capital of $149,666) and an accumulated deficit of $10,760,261 (December 31, 2019 - $5,197,713). The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 on business operations cannot be reasonably estimated at the time, the Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

2. Basis of Presentation and Significant Accounting Policies

(a) Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on an historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Rosswoll Industries Inc. ("Rosswoll") and Tavros Gold Corp. ("Tavros"), incorporated in British Columbia. Sociedad Contractual Minera Vilacollo ("SCMV") is a wholly owned subsidiary of Tavros, incorporated in Chile. All significant intercompany balances and transactions were eliminated on consolidation.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(b) Presentation and functional currency

The consolidated financial statements are presented in Canadian dollars. The functional currency of Rosswoll, Tavros and the Company is the Canadian dollar. The functional currency of SCMV is the Chilean pesos.

Foreign currency transactions are translated into Canadian dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at FVTPL. Gains and losses arising from foreign exchange are included in the consolidated statements of comprehensive loss.

Translation to presentation currency

The results and financial position of those entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Statements of Financial Position;
- Income and expense are translated at average exchange rates; and
- All resulting exchange differences are recognized in profit or loss.

(c) Financial instruments

Classification

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

Measurement

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

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership

2. Basis of Presentation and Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss. Accounts payables are classified at amortized cost.

(d) Mineral property interests

The acquisition costs of mineral property interests are capitalized until the property to which they relate is placed into production, sold, allowed to lapse, or abandoned. Exploration and evaluation costs are expensed after obtaining ownership, or the right to explore a property. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units (“CGU”) for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements. Proceeds received from a partial sale or option of a mineral property interest are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period in which the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value, taking into consideration current year exploration results and management’s assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

(e) Impairment of non-financial assets

Non-financial assets are evaluated at each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the CGU level, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU’s fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company’s mineral property interest impairment policy is more specifically discussed above.

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their trading value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from reserves.

2. Basis of Presentation and Significant Accounting Policies (Continued)

(f) Share capital (continued)
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(g) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to officers, directors, consultants and related company employees to acquire shares of the Company. The fair value of the options is measured on the grant date and is recognized as an expense with a corresponding increase in reserves as the options vest. Options granted to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. On vesting, share-based payments are recorded as an operating expense and as reserves. When options are exercised, the consideration received is recorded as share capital. When options are cancelled or expired, the initial recorded value is reversed and charged to deficit.

(h) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the future decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using pretax rates that reflect the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each period-end for the unwinding of the discount rate, for changes to the current market-based discount rate and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs related to its mineral property interest.

(i) Income taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be

2. Basis of Presentation and Significant Accounting Policies (Continued)

(i) Income taxes (continued)

available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(j) Loss per share

The Company presents basic and diluted loss per share ("LPS") data for its common shares. Basic LPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted LPS is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all dilutive potential common shares related to outstanding stock options and warrants issued by the Company.

(k) Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on investments classified as FVTOCI, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss and components of other comprehensive income are presented in the consolidated statements of comprehensive loss and the consolidated statements of changes in equity.

(l) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

(m) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments are as follows:

(i) Fair value measurement of stock-based payments

The Company measures equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions 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 share option and volatility and making assumptions about them.

(ii) Measurement of deferred tax assets and liabilities

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability in the current tax provision. Management believes they have

(Expressed in Canadian Dollars)

2. Basis of Presentation and Significant Accounting Policies (Continued)

(m) Significant accounting estimates and judgments (continued)

(ii) Measurement of deferred tax assets and liabilities (continued)

adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(iii) Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the year ended December 31, 2020 and 2019. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecasts and access to replacement financing for the future twelve months.

3. New Accounting Standards and Interpretations

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a material impact on the Company's financial statements, other than increased disclosure.

4. Mineral Properties

a. Canada

	Balance December 31 2018 and 2019	Additions	Balance December 31 2020
	$	$	$
Burge Lake Project			
Acquisitions costs - cash	-	38,124	38,124
Total	-	38,124	38,124

On May 4, 2020, the Company entered into an option agreement with La Croix Exploration Ltd. ("Optionor") to acquire a 100% interest in the Burge Lake project located in the province of Quebec.

(Expressed in Canadian Dollars)

4. Mineral Properties (Continued)

a. Canada (Continued)

In order to exercise the option and to maintain the option in good standing, the Company is required to:

(a) Pay the Optionor upon signing of the option agreement:

- $5,000 in cash (paid);
- An additional $20,000 in cash within 14 days (paid);
- An additional $10,000 in cash within 90 days (paid);
- An additional $ 100,000 in cash within 12 months; and
- An additional $ 150,000 in cash within 24 months.

(b) Incur expenditures on the property as follows:

- $250,000 within 24 months of the signing of the option agreement

b. Chile

	Balance December 31 2018 and 2019	Additions	Balance December 31 2020
	$	$	$
Choquelimpie gold and copper project			
Acquisitions costs - cash	-	5,247,428	5,247,428
Acquisitions costs - shares	-	22,229,625	22,229,625
Total	-	27,477,053	27,477,053

On July 15, 2020, the Company completed a share purchase agreement, where the Company acquired all the issued and outstanding shares of Tavros from its shareholders pursuant which the Company acquired the Choquelimpie Project located in northern Chile.

(Expressed in Canadian Dollars)

4. Mineral Properties (Continued)

The acquisition did not meet the definition of a business under IFRS 3; therefore the acquisition of Tavros was treated as an acquisition of exploration and evaluation asset.

The consideration are as follows:

	Status
i. USD $250,000 in cash payment by May 4, 2020	Paid
ii. USD $250,000 in cash payment on or before May 31, 2020	Paid
iii. Evidence of $1,500,000 minimum funds raised (Note 6)	Completed
iv. USD $1,500,000 in cash payment on or before July 15, 2020	Paid
v. USD $300,000 in cash payment by July 15, 2020	Paid
vi. $550,000 in cash payment for finder's fee by July 16, 2020	Paid
vii. Issuance of 15,000,000 shares on or before July 31, 2020 (Note 6)	Issued
viii. USD $500,000 in cash payment on or before November 30, 2020	Paid
ix. USD $500,000 in cash payment on or before November 30, 2021	Not completed

As at December 31, 2020, the Company has paid or accrued a total of $5,247,428 in cash and issued 15,000,000 shares (with a fair value of $22,229,625) in respect to the acquisition of the Choquelimpie Project. The remaining balance of USD$500,000 ($636,600) (Note 7) was recorded in current liability as at December 31, 2020.

The 15,000,000 shares issued in escrow will be released as follows: 10% on the closing date of the agreement; 20% on the date that is 6 months from the closing date; 20% on the date that is 12 months from the closing date; 25% on the date that is 18 month from the closing date and 25% on the date that is 24 months from the closing date.

5. Accounts Payable and Accrued Liabilities

	December 31 2020	December 31 2019
	$	$
Accounts Payable	103,059	86,315
Accrued Liabilities	21,000	29,500
Payroll Liabilities	19,627	-
Total	143,686	115,815

6. Share Capital and Reserves

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued share capital

- As at December 31, 2020, there were 51,860,073 issued and outstanding common shares (December 31, 2019 – 13,339,496).
- On October 9 2020, the Company issued 131,160 units at $1.60 per unit for gross proceeds of $209,856 as part of a private placement financing. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $2.50 per share until October 9, 2021.
- On September 28, 2020, the Company issued 942,715 units at $1.60 per unit for gross proceeds of $1,508,344 as part of a private placement financing. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $2.50 per share until September 28, 2021. The Company paid share issuance

6. Share Capital and Reserves (Continued)

(b) Issued share capital (Continued)

cost of $205,119, including the issuance of 62,125 broker's warrants with a value $102,899 and cash paid of $102,220 to certain eligible finders in connection with the private placement.

- On August 28, 2020, the Company issued 540,875 units at $1.60 per unit for gross proceeds of $865,400 as part of a private placement financing. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $2.50 per share until August 28, 2021. Total share issuance cost of $60,578 were paid to certain eligible finders in connection with the private placement.

- On August 21, 2020, the Company issued 817,750 units at $1.60 per unit for gross proceeds of $1,308,400 as part of a private placement financing. Of these 817,750 units, 100,000 units were issued to a consultant for service rendered to the Company and 37,500 units were issued to a consultant to settle debt amount of $60,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $2.50 per share until August 21, 2021. Total share issuance cost of $50,282 were paid to certain eligible finders in connection with the private placement.

- On July 20, 2020, the Company issued 4,475,500 units at $1.00 per unit for gross proceeds of $4,475,500 as part of a private placement financing. $8,649 of the gross proceeds are in shares subscription receivable. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder to acquire on share at a price of $1.50 share July 20, 2021. Total share issuance cost of $180,709 were paid to certain eligible finders in connection with the private placement.

- On July 15, 2020, the Company issued 15,000,000 common shares valued at $22,229,625 pursuant to the share purchase agreement of the Choquelimpie Project in Chile (Note 4).

- On July 10, 2020, the Company issued 1,024,500 units at $1.00 per unit for gross proceeds of $1,024,500 as part of a private placement financing. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $1.50 per share until July 10, 2021. Total share issuance cost of $3,200 were paid to certain eligible finders in connection with the private placement.

- On June 22, 2020, the Company issued 2,024,901 units at $0.75 per unit for gross proceeds of $1,518,677 as part of a private placement financing . Of these 2,024,901 units, 100,000 units were issued to a consultant for service rendered to the Company. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder to acquire on share at a price of $1.10 per share until June 22, 2021. The Company paid share issuance cost of $56,804, including the issuance of 13,076 common shares at the offering price (with a fair value of $9,807) and cash paid of $46,997 to certain eligible finders in connection with the private placement.

- On June 15, 2020, the Company issued 1,975,099 units issued at $0.75 per unit for gross proceeds of $1,481,324 as part of a private placement financing. $37,806 of the gross proceeds are in shares subscription receivable. Of these 1,975,099 units, 37,333 units were issued to a consultant to settle debt of $28,000. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $1.10 per share until June 15, 2021. Total share issuance cost of $17,286 were paid to certain eligible finders in connection with the private placement.

- On June 1, 2020, the Company issued 8,250,000 units at $0.40 per unit for gross proceeds of $3,300,000 as part of a private placement financing. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder to acquire an additional share of the Company at a price of $0.75 per share until June 1, 2021. Total share issuance cost of $16,802 were paid to certain eligible finders in connection with the private placement. This private placement also satisfied the Choquelimpie Project share purchase agreement where a minimum of $1,500,000 funds is to be raised (Note 4).

(Expressed in Canadian Dollars)

6. Share Capital and Reserves (Continued)

(b) Issued share capital (Continued)

- During the year ended December 30, 2020, a total of 589,333 common shares were issued for the exercise of options for gross proceeds of $152,173. As a result, $112,870 were transferred from contributed surplus to share capital.
- During the year ended December 31, 2020, a total of 2,735,668 common shares were issued for the exercise of warrants for gross proceeds of $752,635 (see Note 6c).
- During the year ended December 31, 2019, a total of 100,000 warrants were exercised for gross proceeds of $7,000 (see Note 6c).
- During the year ended December 31, 2019, a total of 56,667 stock options were exercised for gross proceeds of $5,217. There was a fair market value of $18,744 transferred from reserves to share capital for the exercise cost of the stock options exercised.
- During the year ended December 31, 2019, the Company closed a private placement financing, issuing 1,104,667 units at a price of $0.30 per unit for gross proceeds of $331,400. Each unit consisted of one common share in the capital of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share of the Company at a price of $0.40 per share for a period of one year from the date of issuance. On June 14, 2019 the second tranche of the private placement closed, issuing 150,000 units at a price of $0.30 per unit for gross proceeds of $45,000.

As at December 31, 2020, there were 13,650,000 shares in escrow pursuant to the acquisition of Tavros (note 4).

(c) Warrants

The continuity of share purchase warrants issued and outstanding is as follows:

	Warrants	Weighted Average Exercise Price
	#	$
Balance, December 31, 2018	1,860,000	0.07
Issued	627,334	0.40
Exercised	(100,000)	0.07
Balance, December 31, 2019	2,387,334	0.16
Issued	11,369,626	1.36
Exercised	(2,735,668)	0.28
Balance December 31, 2020	11,021,292	1.39
Weighted average remaining contractual life		0.52 years

(Expressed in Canadian Dollars)

6. Share Capital and Reserves (Continued)

(c) Warrants (Continued)

Warrants outstanding at December 31, 2020 are as follows:

Exercise Price	Warrants Outstanding	Expiry Date
$	#	
0.40	168,334	May 27, 2021
0.40	50,000	June 13, 2021
0.75	3,675,000	June 1, 2021
1.10	920,882	June 15, 2021
1.10	962,451	June 22, 2021
1.50	512,250	July 10, 2021
1.50	2,237,750	July 20, 2021
2.50	817,750	August 24, 2021
2.50	540,875	September 3, 2021
2.50	1,004,840	September 28, 2021
2.50	131,160	October 9, 2021
Total	11,021,292	

(d) Stock options

On July 3, 2020, the Company adopted an Omnibus Equity Incentive Plan ("Plan"). The purpose of this Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company and its subsidiaries. As well, such Directors, Employees and Consultants may be granted awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such Directors, Employees and Consultants to acquire common shares of the Company as long-term investments and proprietary interests in the Company.

The continuity of stock options issued and outstanding is as follows:

	Options Outstanding	Weighted Average Exercise Price
	#	$
Balance, December 31, 2018	1,081,000	0.18
Granted	510,000	0.305
Exercised	(56,667)	0.09
Cancelled	(210,000)	0.16
Balance, December 31, 2019	1,324,333	0.24
Granted	2,620,000	1.60
Exercised	(589,333)	0.26
Cancelled	(35,000)	0.28
Balance, December 31, 2020	3,320,000	1.31
Weighted average remaining contractual life		4.43 years

(Expressed in Canadian Dollars)

6. Share Capital and Reserves (Continued)

(d) Stock options (Continued)

Vested and non-vested stock options outstanding at December 31, 2020 are as follows:

Exercise Price	Options Outstanding	Expiry Date	Vested Options Exercisable
$	#		#
0.32	50,000	February 2, 2022	50,000
0.40	40,000	April 27, 2023	40,000
0.305	300,000	July 2, 2024	300,000
0.18	305,000	October 30, 2025	305,000
0.49	75,000	May 5, 2025	75,000
0.54	100,000	May 13, 2025	100,000
1.09	700,000	June 8, 2025	700,000
1.73	100,000	June 16, 2025	100,000
1.83	200,000	June 29, 2025	200,000
1.94	500,000	July 27, 2025	62,500
2.27	200,000	July 28, 2025	25,000
2.43	200,000	August 20, 2025	50,000
1.72	400,000	October 5, 2025	-
1.65	100,000	October 7, 2025	-
0.28	50,000	November 2, 2026	50,000
	3,320,000		2,057,500

Exercise Price	Options Outstanding	Expiry Date	Non-vested Options
$	#		#
1.94	500,000	July 27, 2025	437,500
2.27	200,000	July 28, 2025	175,000
2.43	200,000	August 25, 2025	150,000
1.72	400,000	October 5, 2025	400,000
1.65	100,000	October 7, 2025	100,000
	1,400,000		1,262,000

During the year ended December 31, 2020, the Company granted a total of 2,620,000 (2019 – 510,000) stock options. The Company recorded share-based payments of $1,650,786 (2019 - $96,781).

The fair values of the stock options granted during the year ended December 31, 2020 were estimated using the Black-Scholes Option Pricing Model using the following factors:

	Average
Risk free interest rate	0.38%
Dividend yield	0.00%
Stock price volatility	62.81%
Expected life	5 years

The weighted average fair value of options granted and vested during the year ended December 31, 2020 was $0.43 (2019 - $0.19) per option.

(Expressed in Canadian Dollars)

6. Share Capital and Reserves (Continued)

(e) Stock option reserve

The stock option reserve records items recognized as share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. During the year ended December 31, 2020, $112,870 (2019 - $18,744) were transferred to share capital as a result of 589,333 (2019 – 56,667) options exercised.

7. Related Party Balances and Transactions

(a) Related party transactions

The Company incurred the following transactions with companies having directors or officers in common:

	Years ended December 31,	
	2020	2019
	$	$
Consulting fees	67,800	-
Office, rent and administration	59,385	32,783
Professional fees [1]	102,625	3,070
Salaries	84,000	-
	313,810	35,853

[1] Professional fees paid to a company controlled by the CFO of the Company for accounting and corporate secretarial services provided.

(b) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its Directors, CEO and CFO. During the year ended December 31, 2020, the fair value of the share-based compensation granted to key management personnel were $571,994 (2019 - $nil).

(c) Related party balances

The following related party amounts are included in prepaid expenses and deposits:

	December 31, 2020	December 31, 2019
	$	$
Company having directors and officers in common	2,000	2,000

The following related party amounts are included in accounts payable:

	December 31, 2020	December 31, 2019
	$	$
Company having directors and officers in common	(5,884)	2,487
Amount owing to the CEO of the Company	7,254	-

$636,000 is owing on mineral properties to Tavros by the Company for the acquisition of the Choquelimpie Project (Note 4).

7. Related Party Balances and Transactions (Continued)

(d) Loan to related party

During the year ended December 31, 2020, the Company made a loan to a company controlled by the CFO for $23,500. The loan is due on demand and has an annual interest rate of 12%. The Company received interest of $2,673 during the year for this loan.

8. Exploration Costs

During the year ended December 31, 2020, the Company incurred $385,456 in exploration costs related to the Choquelimpie Project in Chile.

During the year ended December 31, 2020, the Company incurred $nil in exploration costs related to the Burge Lake Project in Canada.

9. Risk Management

a) Fair value of financial instruments

The fair values of cash, amounts receivable, loan receivable, accounts payables and accrued liabilities, and amounts owing on mineral properties approximate their carrying values due to the short-term maturity of those instruments. The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

b) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash, and amount receivable. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company reduces its credit risk by maintaining its bank accounts at large financial institutions. The amount receivable was due from a related party. Credit risk associated with receivable was considered moderate.

c) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at December 31, 2020, the Company had cash of $7,604,968 to settle current liabilities of $780,286. Liquidity risk is assessed as low.

d) Currency risk

Currency risk is the risk that fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk mainly due to its exploration activities in Chile. The Company manages its risk by using large accredited financial institutions to process its foreign currency transactions ensuring market rate of foreign exchange.

e) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at December 31, 2020, the Company did not have any financial instruments subject to significant interest rate risk.

(Expressed in Canadian Dollars)

9. Risk Management (Continued)

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable data.

The Company's cash is measured at fair value. Cash is measured using level 1 inputs.

10. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt or sell assets to settle liabilities.

The Company's historical sources of capital have consisted of the sale of equity securities. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to externally imposed capital requirements and there were no changes in the Company's management of capital during the period ended December 31, 2020.

11. Income Taxes

The following table reconciles the expected income tax expenses (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2020 and December 31, 2019:

	2020	2019
	$	$
Loss before income taxes	(5,562,548)	(322,114)
Canadian statutory tax rate	27.00%	27.00%
Expected income tax recovery	(1,501,888)	(89,671)
Differences resulting from:		
Non-deductible items	446,342	26,253
Other	(128,980)	(62)
Change in deferred tax asset not recognized	1,184,526	63,480
Income tax recovery	-	-

(Expressed in Canadian Dollars)

11. Income Taxes (Continued)

Deferred tax reflects the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and amounts used for tax purposes. Deferred tax assets at December 31, 2020 and December 31, 2019 are comprised of the following:

	2020	2019
	$	$
Deferred tax assets - Canada		
Non-capital loss carry-forwards	1,924,035	842,191
Property and equipment	9,465	9,992
Exploration and evaluation assets	368,262	368,262
Financing costs	103,426	217
	2,405,188	1,220,662
Deferred tax asset not recognized	2,405,188	1,220,662
Net deferred tax asset	-	-

The Company has non-capital loss carryforwards of $7,126,054 (2019 – $3,119,251) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	$
2026	126,327
2027	45,664
2028	199,093
2029	214,600
2030	281,576
2031	363,624
2032	206,382
2033	188,141
2034	263,302
2035	244,042
2036	276,748
2037	234,966
2038	239,262
2039	235,489
2040	4,006,838
Total	7,126,054

12. Subsequent Events

On February 24, 2021, pursuant to the appointment of the Company’s Vice President of Exploration, 200,000 stock options with an exercise price of $0.70 were granted to him. The vesting is two years at a rate of 12.5% quarterly. The options will expire on February 23, 2026.

On February 24, 2021, 135,000 stock options with an exercise price of $0.74 was granted to a consultant of the Company. The options have an immediate vesting and will expire on February 23, 2026.

On March 8, 2021, pursuant to the appointment of a new director of the Company, 100,000 stock options with an exercise price of $0.56 was granted to him. The options have an immediate vesting and will expire on March 8, 2026. In addition, the Company also granted 440,000 restricted share units (“RSUs”) to the directors, officers, employees, and consultants of the Company.

On April 20, 2021, 1,560,000 stock options with an exercise price of $0.60 was granted to directors, officers, employees and consultants of the Company. The options vest over a period of two years and expire on April 20, 2026.

12. Subsequent Events (Continued)

Subsequent to the year ended December 31, 2020, 100,000 warrants were exercised at $0.75 for gross proceeds of $75,000.

Subsequent to the year ended December 31, 2020, 50,000 warrants were exercised at $0.40 for gross proceeds of $20,000.

Subsequent to the year ended December 31, 2020, 700,000 stock options with an exercise price of $1.09 were cancelled.

Subsequent to the year ended December 31, 2020, 250,000 stock options with an exercise price of $1.94 were cancelled.

Subsequent to the year ended December 31, 2020, 150,000 stock options with an exercise price of $2.27 were cancelled.

Subsequent to the year ended December 31, 2020, 200,000 stock options with an exercise price of $2.43 were cancelled.