FAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

December 31, 2020

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

FAR RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
AS AT

	Note	December 31, 2020	March 31, 2020
ASSETS			
Current assets			
Cash		$ 130,039	$ 3,207
GST receivable		28,787	16,490
Subscription receivable		250	-
Prepaid expenses and deposits		30,406	42,549
Net investment in sublease	5	35,162	42,967
Total current assets		224,644	105,213
Non-current assets			
Prepaid expenses and deposits		48,000	48,000
Long-term investment	4	8,000	11,000
Exploration and evaluation assets	6	5,921,517	5,634,616
Net investment in sublease	5	113,990	137,772
Total assets		$ 6,316,151	$ 5,936,601
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 710,147	$ 683,614
Short-term loans payable	8	7,500	7,500
Lease obligation	5	38,342	40,952
Total current liabilities		755,989	732,066
Long-term loans payable	9	40,000	-
Lease obligation – long-term	5	124,285	135,248
Total liabilities		920,274	867,314
Equity			
Capital stock	10, 11	18,743,228	17,836,640
Subscriptions received		10,000	202,000
Reserves	10	2,020,133	1,130,959
Deficit		(15,377,484)	(14,100,312)
Total equity		5,395,877	5,069,287
Total liabilities and equity		$ 6,316,151	$ 5,936,601

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved and authorized on behalf of the Board on February 23, 2021:

"John Gammack" Director ***"Robert Dinning"*** Director
John Gammack *Robert Dinning*

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

FAR RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Note	For the three-month period Ended December 31, 2020	For the three-month period Ended December 31, 2019	For the nine-month period Ended December 31, 2020	For the nine-month period Ended December 31, 2019
EXPENSES					
Consulting	11	$ 11,075	$ 44,000	$ 23,648	$ 249,000
Investor relations		494	116,902	40,311	150,385
Management fees	11	10,000	103,927	73,000	316,067
Office		5,522	32,980	23,507	68,678
Professional fees		(7,664)	59,606	122,415	98,255
Share-based payments	10,11	642,263	140,000	982,050	140,000
Transfer agent and filing fees		7,404	14,737	21,318	22,162
Travel		-	5,999	-	6,430
Loss before other items		(669,094)	(518,151)	(1,286,249)	(1,050,977)
OTHER ITEMS					
Finance income on sublease	5	5,489	-	17,690	-
Foreign exchange gain		658	-	528	-
Gain on sublease	5	1,481	-	2,815	-
Loss on lease amendment	5	-	-	(8,956)	-
Unrealized gain (loss) on marketable securities	4	1,000	-	(3,000)	-
Loss and comprehensive loss for the period		$ (660,466)	$ (518,151)	$ (1,277,172)	$ (1,050,977)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		137,178,870	112,335,129	135,991,646	110,088,657

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

FAR RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31,

	Note		2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the period		$	(1,277,172)	$	(1,050,977)
Items not involving cash:					
Finance fee			-		-
Share-based payments			982,050		140,000
Interest expense			19,056		-
Finance income on sublease			(17,690)		-
Loss on lease amendment			8,956		-
Unrealized loss on marketable securities			3,000		-
Changes in non-cash working capital items:					
Accounts receivable			(12,547)		63,569
Prepaid expenses and deposits			12,143		(181,846)
Accounts payable and accrued liabilities			41,433		8,785
Net cash used in operating activities			(240,771)		(1,020,469)
CASH FLOWS FROM INVESTING ACTIVITIES					
Exploration and evaluation acquisition costs			(146,251)		(125,000)
Exploration and evaluation expenditures			(105,550)		(88,841)
Net cash used in investing activities			(251,801)		(213,841)
CASH FLOWS FROM FINANCING ACTIVITIES					
Private placements			467,712		300,000
Share issue costs			(2,500)		(5,996)
Exercise of options			96,500		-
Long-term loan received			40,000		-
Repayment of lease obligation			(41,585)		-
Receipt of sublease payments			49,277		-
Subscriptions received in advance			10,000		-
Share for debt			-		125,040
Share for services			-		700,567
Net cash provided by financing activities			619,404		1,119,611
Change in cash for the period			126,832		(114,699)
Cash, beginning of the period			3,207		137,952
Cash, end of period		$	130,039	$	23,253
Cash received during the period for interest		$	-	$	-
Cash paid during the period for taxes		$	-	$	-
Fair value of stock options exercised		$	(92,876)	$	-
Share issued for exploration and evaluation assets		$	(50,000)	$	-

Supplemental disclosures with respect to cash flow (Note 12)

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

FAR RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Capital stock					
	Shares	Amount	Subscriptions received (receivable)	Reserves	Deficit	Total equity
Balance, March 31, 2019	**105,793,872**	**$ 16,452,029**	**$ -**	**$ 1,115,972**	**$ (11,822,667)**	**$ 5,745,334**
Acquisition of exploration and evaluation assets	2,619,403	125,000	-	-	-	125,000
Shares for debt	2,500,800	125,040	-	-	-	125,040
Shares for services	13,921,532	700,567	-	-	-	700,567
Private placements	3,904,761	300,000	-	-	-	300,000
Share issuance costs	-	(5,996)	-	-	-	(5,996)
Share-based payments	2,800,000	140,000	-	-	-	140,000
Loss for the period	-	-	-	-	(1,050,977)	(1,050,977)
Balance, December 31, 2019	**131,540,368**	**17,836,640**	**-**	**1,115,972**	**(12,873,644)**	**6,078,968**
Balance, March 31, 2020	**131,540,368**	**$ 17,836,640**	**$ 202,000**	**$ 1,130,959**	**$ (14,100,312)**	**$ 5,069,287**
Acquisition of exploration and evaluation assets	515,474	50,000	-	-	-	50,000
Private placements	12,461,556	669,712	(192,000)	-	-	477,712
Share issued – options exercised	1,450,000	189,376	-	(92,876)	-	96,500
Share issuance costs	-	(2,500)	-	-	-	(2,500)
Share-based payments	-	-	-	982,050	-	982,050
Loss for the period	-	-	-	-	(1,277,172)	(1,277,172)
Balance, December 31, 2020	**145,967,398**	**$ 18,743,228**	**$ 10,000**	**$ 2,020,133**	**$ (15,377,484)**	**$ 5,395,877**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Far Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company's head office is located at Suite 510 – 580 Hornby Street, Vancouver, BC, V6C 3B6. The Company's registered and records office is located at Suite 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5.

The Company is an exploration company focused on the identification and development of high potential mineral opportunities in stable jurisdictions.

Going concern of operations

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2020, the Company has had significant losses. In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and short-term loans. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2020, which have been prepared in accordance with IFRS. The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd...)

Basis of consolidation

The condensed interim consolidated financial statements include the financial statements of Far Resources Ltd. and its subsidiaries, Sierra Gold & Silver Ltd. and Sequoia Gold & Silver Ltd.

Name of Subsidiary	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			2020	2019
Sierra Gold & Silver Ltd.	USA	Not active	100%	100%
Sequoia Gold & Silver Ltd.	Canada	Not active	100%	100%

All intercompany balances and transactions have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

i) Determination of categories of financial assets and financial liabilities;

ii) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets;

iii) The ability of the Company to continue as a going concern; and

iv) The classification of leases are either finance lease or operating lease.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the time of initial grant.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Use of estimates and judgments (cont'd...)

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements.

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and cash equivalents. Cash equivalents are short-term, highly liquid holdings that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the period end date exchange rates.

The functional currency of the parent entity is the Canadian dollar, which is also the presentation currency of our consolidated financial statements. The functional currency of the Company's foreign subsidiary is the United States dollar.

Foreign operations are translated from their functional currencies into Canadian dollars on consolidation as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

(ii) Income and expenses for each statement of comprehensive income (loss) are translated at the average exchange rate for the period; and

(iii) All resulting exchange differences are recognized in other comprehensive income (loss) as cumulative translation adjustments.

Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in a separate component of equity through other comprehensive income (loss).

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in this separate component of equity is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties – exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of the property are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets.

The Company enters into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

The Company accounts for mining tax credits on a cash basis and are applied as a reduction to capitalized exploration costs.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation (cont'd...)

Decommissioning obligations:

The Company's activities may give rise to dismantling, decommissioning and site disturbance re-mediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, 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 between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be 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 the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Equity instruments that are held for trading (including all equity derivative instruments) 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 fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The following table shows the classification and measurement of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash	at amortized cost
Net investment in sublease	at amortized cost
Long-term investment	FVTPL
Accounts payable and accrued liabilities	at amortized cost
Short-term loans payable	at amortized cost
Lease obligation	at amortized cost

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

Impairment of financial assets at amortized cost

The Company recognizes the expected credit losses ("ECL") model on a forward-looking basis on financial assets that are measured at amortized cost, contract assets and debt instruments carried at FVOCI.

At each reporting date, the Company measures the ECL 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 financial asset has not increased significantly since initial recognition, the Company measures the ECL for the financial asset at an amount equal to twelve month expected credit losses. The Company applies the simplified method and measures a loss allowance equal to the lifetime expected credit losses for trade receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment of financial assets at amortized cost (cont'd...)

The Company recognizes in profit and 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. The loss allowance was $Nil as at December 31, 2020.

Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the contractual right to the asset's cash flows expire; or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior fiscal year this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of common shares outstanding during the year.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments (cont'd...)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in share-based payment reserve over the vesting period. Consideration paid for the shares along with the fair value recorded in share-based payment reserve on the exercise of stock options is credited to capital stock. When vested options are cancelled, forfeited, or are not exercised by the expiry date, the amount previously recognized in share-based payment reserve is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share issue costs

Share issue costs are deferred and charged directly to capital stock on completion of the related financing. If the financing is not completed, share issue costs are charged to operations. Costs directly identifiable with the raising of capital will be charged against the related capital stock.

Valuation of equity units issued in private placements

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 fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

IFRS 16 Leases

The Company adopted IFRS 16 – Leases ("IFRS 16"), effective April 1, 2019. On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires lessees to recognize assets and liabilities for most leases. The standard is effective for financial years commencing after January 1, 2019. For lessors, there is little change to the existing accounting in IAS 17 *Leases*.

(Expressed in Canadian dollars)

4. LONG-TERM INVESTMENT

IFRIC 23, Uncertainty over Income Tax Treatments

The Company adopted FRIC 23, Uncertainty over Income Tax Treatments, effective April 1, 2019. The new standard clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The standard is effective for annual periods beginning on January 1, 2019. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

	December 31, 2020			March 31, 2020		
	Number of shares	Cost	Fair value	Number of shares	Cost	Fair Value
Alchemist Mining Inc.	200,000	$ 9,500	$ 8,000	200,000	$ 9,500	$ 11,000

On August 20, 2014, the Company received 100,000 common shares of Alchemist Mining Inc. ("Alchemist"), a corporation of which the CEO is a family member of the Company's former CEO, at a fair value of $5,500 related to the Tchentlo Lake property. Alchemist shares were initially valued at the trading price of $0.055 per share.

On August 20, 2016, the Company received 100,000 common shares of Alchemist related to the amended Tchentlo Lake property. These shares were initially valued at the trading price of $0.04 per share.

The Company classified the Alchemist shares as an investment at fair value through profit or loss.

At December 31, 2020, the Company valued the shares at $8,000 and recorded an unrealized loss of $3,000 from changes in the fair value.

5. LEASES

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments excluding renewal options as they are not expected to be exercised, discounted using the Company's incremental borrowing rate as of April 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 15%.

The following is a reconciliation of total off-balance operating lease commitments at March 31, 2019 to the lease liabilities recognized at April 1, 2019:

Total operating lease commitments at March 31, 2019	$ 287,214
Less: short-term leases	-
Total operating lease obligation before discounting	287,214
Discounted using incremental borrowing rate	(75,982)
Total lease obligation recognized under IFRS 16 at April 1, 2019	$ 211,232

The associated right-of-use asset for the property lease was measured on a retrospective basis as if the new rules had always been applied adjusted by the amount of any prepaid or accrued lease payments and deferred lease inducement relating to that lease recognized in the statement of financial position as at March 31, 2019.

The recognized lease obligation and right-of-use asset relate to the lease on the corporate office. The change in accounting policy affected the following items in the statement of financial position on April 1, 2019:

- Right-of-use set – increased by $203,555
- Lease liabilities – increased by $211,232

(Expressed in Canadian dollars)

5. LEASES (cont'd...)

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous.
- elected to account for the payments for short-term leases and leases of low-value assets as an expense in the statement of loss and comprehensive loss on a straight-line basis over the lease term.
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For the period ending December 31, 2020, interest expense on the lease obligation were $19,056. The lease term matures on September 30, 2023. The below tables show the continuity of lease obligation and the reconciliation between the undiscounted and discounted balances:

Lease obligation, April 1, 2019	$	211,232
Interest expense		27,573
Payments		(62,605)
Lease obligation, March 31, 2020		176,200
Interest expense		19,056
Loss on lease amendment		8,956
Payments		(41,585)
Lease obligation, December 31, 2020		162,627
Current portion		(38,342)
Non-current portion	$	124,285

		December 31, 2020
Less than one year	$	71,627
Greater than one year		125,347
Total lease obligation - undiscounted		196,974
Unamortized interest		(34,347)
Total lease obligation - discounted	$	162,627

During the period ended December 31, 2020, the Company amended the lease agreement and recognized a loss on lease amendment of $8,956. The Company also recognized a gain on sublease of $2,815.

On May 1, 2019, the Company entered into a sublease agreement for its lease on the corporate office. As a result, the Company derecognized its remaining right-of-use asset and recorded a net investment in sublease. The Company also recognized a gain on sublease of $17,868.

For the year ending March 31, 2020, amortization of the right-of-use asset was $3,770. The right-of-use asset is depreciated on a straight-line basis over the term of the lease. The below table shows the continuity of right-of-use asset:

Right-of-use asset, April 1, 2019	$	203,555
Amortization		(3,770)
Derecognition upon entering into sublease		(199,785)
Right-of-use asset, March 31, 2020 and December 31, 2020	$	-

(Expressed in Canadian dollars)

5. LEASES (cont'd...)

For the period ending December 31, 2020, finance income of the net investment in sublease was $17,690. The sublease term matures on September 29, 2023. The below tables show the continuity of net investment in sublease and the reconciliation between the undiscounted and discounted balances:

Net investment in sublease, April 1, 2019	$	-
Addition		217,653
Finance income		23,312
Payments received		(60,226)
Net investment in sublease, March 31, 2020		180,739
Finance income		17,690
Payments received		(49,277)
Net investment in sublease, December 31, 2020		149,152
Current portion		(35,162)
Non-current portion	$	113,990

		December 31, 2020
Less than one year	$	65,702
Greater than one year		114,979
Total net investment in sublease - undiscounted		180,681
Unamortized finance income		(31,529)
Total net investment in sublease - discounted	$	149,152

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

During the period ended December 31, 2020, the following exploration expenditures were incurred on the exploration and evaluation assets:

	Zoro Property	Winston Property	Total
Acquisition costs			
Balance, March 31, 2020	$ 1,664,444	$ 740,317	$ 2,404,761
Additions – cash	50,000	96,251	146,251
Additions – shares	50,000	-	50,000
Balance, December 31, 2020	1,764,444	836,568	2,601,012
Exploration costs			
Balance, March 31, 2020	3,192,140	37,715	3,229,855
Geological and consulting	10,225	80,425	90,650
Balance, December 31, 2020	3,202,365	118,140	3,320,505
Write-off	-	-	-
Total balance, December 31, 2020	$ 4,966,809	$ 954,708	$ 5,921,517

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended March 31, 2020, the following exploration expenditures were incurred on the exploration and evaluation assets:

	Zoro Property	Winston Property	Hidden Lake Property	Total
Acquisition costs				
Balance, March 31, 2019	$ 1,414,444	$ 740,317	$ 275,000	$ 2,429,761
Additions – cash	125,000	-	-	125,000
Additions – shares	125,000	-	-	125,000
Balance, March 31, 2020	1,664,444	740,317	275,000	2,679,761
Exploration costs				
Balance, March 31, 2019	3,082,450	16,476	594,591	3,693,517
Assay	1,385	-	-	1,385
Geological and consulting	105,055	21,239	455	126,749
Drilling	3,250	-	-	3,250
Balance, March 31, 2020	3,192,140	37,715	595,046	3,824,901
Write-off	-	-	(870,046)	(870,046)
Total balance, March 31, 2020	$ 4,856,584	$ 778,032	$ -	$ 5,634,616

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro Property

Zoro I

In April 2016, the Company entered into an agreement to option the Zoro I claim located in the Snow Lake area in Manitoba. During the year ended March 31, 2018, the Company earned a 100% interest in and to the Zoro I Claim upon meeting the following requirements:

a) paid $50,000 and issued 1,000,000 common shares (valued at $95,000) in 2017, and
b) issued 6,000,000 common shares (issued and valued at $540,000) and $100,000 in non-interest-bearing promissory notes that are repayable on May 10, 2018 (issued and repaid during the year ended March 31, 2019).

In addition, during the year ended March 31, 2017, the Company issued 1,000,000 common shares to an arm's length party at a fair value of $135,000 as finder's fee on the Zoro I option agreement.

Zoro North

In September 2017, the Company entered into an option agreement with Strider Resources Limited ("Strider") to acquire up to a 100% interest in the highly prospective ground contiguous with its Zoro 1 near Snow Lake, Manitoba (the "Option Agreement"). The Option Agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company may exercise the First Option by making the following cash payments, common share issuances to Strider and incurring exploration expenditures:

a) upon signing the Option Agreement, the Company will pay to Strider $25,000 in cash (paid) and $25,000 in shares (81,082 shares issued) of the Company based on average price;

b) on or before September 20, 2018 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (357,143 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $50,000 (incurred);

c) on or before September 20, 2019 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (1,119,403 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $100,000 (incurred);

d) on or before September 20, 2020 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (515,474 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $150,000 (incurred);

e) on or before September 20, 2021 the Company will pay to Strider $75,000 in cash and $75,000 in shares of the Company based on average price, and incur cumulative exploration expenditure of $200,000 (incurred); and

f) on or before September 20, 2024, incur cumulative exploration expenditures of $500,000 (incurred).

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro Property (cont'd...)

Zoro North (cont'd...)

Provided the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company will be solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the property in good standing.

Manitoba Lithium

In August 2016, the Company entered into an option agreement with Strider to acquire a 100% interest in and to all lithium-bearing pegmatite dykes on three contiguous claims in Manitoba (the "Property"). The Option agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company may exercise the First Option by making the following cash payments and common share issuances to Strider:

a) upon signing the Option Agreement the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (555,556 shares issued) of the Company;

b) on or before August 4, 2017, the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (294,118 shares issued) of the Company based on average price;

c) on or before August 4, 2018, the Company will pay to Strider $75,000 in cash (paid) and $75,000 in shares of the Company based on average price (375,000 shares issued); and

d) on or before August 4, 2019, the Company will pay to Strider $75,000 in cash (paid) and $75,000 in shares of the Company based on average price (1,500,000 shares issued).

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

Provided the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company will be solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the Property in good standing.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Winston Property

During the year ended March 31, 2015, the Company entered into an option agreement with Redline Minerals Inc., Redline Mining Corporation and Southwest Land & Exploration Inc. (collectively, the "Optionors") to acquire up to an 80% interest in the Winston Property consisting of the Little Granite claims and the Ivanhoe/Emporia claims located in Sierra County, New Mexico, U.S.A.

During the years ended March 31, 2016 and 2017, the Company amended the option agreement with the Optionors to acquire an initial 50% interest upon completion of the following:

a) Cash payment of non-refundable deposits of $35,000 (paid);
b) Cash payments of $81,250 (paid);
c) Cash payment of $13,750 on or before November 15, 2014 (paid);
d) Share issuance of 300,000 common shares of the Company on January 15, 2015 (issued);
e) Cash payments of $120,000 as follows;
   i) Cash payment of $40,000 on or before February 28, 2016 (paid);
   ii) Cash payment of $40,000 on or before June 1, 2016 (paid);
   iii) Cash payment of $40,000 on or before June 1, 2017 (see below);
f) Issuance of 2,500,000 common shares (1,500,000 shares issued) of the Company as follows;
   i) Issue 500,000 common shares on or before October 17, 2014 (issued);
   ii) Issue 500,000 common shares on or before October 17, 2015 (issued);
   iii) Issue 500,000 common shares on or before October 17, 2016; (issued)
   iv) Issue 500,000 common shares on or before October 17, 2017 (see below);
   v) Issue 500,000 common shares on or before October 17, 2018 (see below); and
g) Incurring exploration expenditures totaling $300,000 due on or before October 17, 2017.

The agreement was also amended to include a further option to acquire up to an additional 30% (80% in total interest).

In exchange for the amendment of the option agreement, the Company issued 100,000 common shares at a fair value of $3,000 on February 26, 2016.

During the year ended March 31, 2017, the Company made a $25,000 cash payment to the original vendors of the Winston Property.

During the year ended March 31, 2018, the Company's wholly owned subsidiary offered to acquire a 100% interest to the claims from the Optionors by completing the following:

a) Cash payment of $35,000 (paid);
b) Issuance of 2,500,000 common shares of the Company (issued and valued at $275,000); and
c) Issuance of a $50,000 non-interest-bearing promissory note which is repayable on August 24, 2017 (issued and repaid).

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Little Granite claims, the Company is required to make the following payments:

a) Cash payments of US $12,000 on or before July 15, 2017 (paid)
b) Cash payments of US $6,000 on or before March 31, 2018 (paid);
c) Cash payments of US $12,000 on or before July 15, 2018 (paid);
d) Cash payments of US $12,000 on or before July 15, 2019 (US$6,000 paid);
e) Cash payments of US $12,000 on or before July 15, 2020 (paid);
f) Cash payment of US $19,000 on or before October 1, 2020 (paid);
g) Cash payment of US $19,000 on or before October 1, 2021;
h) Cash payments of US $380,000 on or before October 1, 2022.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Winston Property (cont'd...)

An amendment is subsequently being negotiated for the underlying purchase agreement of Little Granite claims.

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Ivanhoe/Emporia claims, the Company is required to pay the original owner of the claims the remaining purchase price of US$361,375 (US$42,000 paid). Before the remaining purchase price is paid in full, the Company is subject to a minimum monthly royalty payment based on monthly average silver price. The accrued minimum monthly royalty payments outstanding as of December 31, 2020 totals US$201,625. The agreement also entitles the owner to a permanent production royalty of 2% of NSR.

Hidden Lake Property

In January 2018, the Company entered into a binding letter agreement with 92 Resources Corp. ("92 Resources") to acquire up to 90% interest in the Hidden Lake Lithium Property, Northwest Territories.

Under the terms of the agreement, the Company earned an initial 60% interest in the property by making a cash payment of $50,000, issuing 555,555 common shares (issued and valued at $225,000) and incurring exploration expenditures of $500,000.

The Company has chosen not to accelerate the exercise of the option beyond the initial 60% interest. The Company may now opt to form a joint venture with 92 Resources on a 60:40 basis, the Company will be responsible for funding the initial $1,000,000 in joint venture expenditures, after which costs are shares on a 60:40 basis.

During the year ended March 31, 2020, the Company wrote-off $870,046 of the carrying value of the Hidden Lake property to $Nil due to lack of plans for exploration as a result of limited funding.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables and accrued liabilities for the Company are broken down as follows:

	Note		December 31, 2020		March 31, 2020
Trade payables		$	501,994	$	515,759
Payroll and accrued liabilities			96,432		108,747
Due to related parties	11		111,721		59,108
Total		$	710,147	$	683,614

8. SHORT-TERM LOANS PAYABLE

	Note		December 31, 2020		March 31, 2020
Loans payable on demand, with no interest and no fixed term		$	2,500	$	2,500
Loans payable on demand, with 10% interest per annum and no fixed term			5,000		5,000
		$	7,500	$	7,500

9. LONG-TERM LOANS PAYABLE

During the period ended December 31, 2020, the Company received a loan of $40,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID19. The loan is non-interest bearing until December 31, 2022, after which it will incur interest at 5% per annum. If the principal of $30,000 is fully repaid on or before December 31, 2022, the remaining $10,000 will be forgiven.

10. CAPITAL STOCK AND RESERVES

a) Authorized capital stock:

As at December 31, 2020, the authorized capital stock of the Company was:

i) Unlimited number of common shares without par value.
ii) All issued shares are fully paid.

b) Issued capital stock:

During the period ended December 31, 2020, the Company:

- issued 1,450,000 common shares upon exercise of options for gross proceeds of $96,500.

- closed a non-brokered private placement of 7,461,556 units at $0.056 per unit for gross proceeds of $419,713. Each unit consists of one common share and two share purchase warrants, warrant A and B. Warrant A entitles the holder to purchase one additional common share for a period of two years at a price of $0.075 per share and warrant B entitles the holder to purchase one additional common share for a period of two years at a price of $0.10 per share.

- issued 515,474 common shares at a value of $50,000 as part of the acquisition payments for the Zoro North Option Agreement (see note 6).

- closed a non-brokered private placement of 5,000,000 units at $0.05 per unit for gross proceeds of $250,000. Each unit consists of one common share and one share purchase warrants, warrant entitles the holder to purchase one additional common share for a period of two years at a price of $0.10 per share. The Company paid $2,500 in cash issuance fees.

During the year ended March 31, 2020, the Company:

- issued 2,619,403 with a fair value of $125,000 to Strider Resources Limited as property acquisition payments, with 1,500,000 shares valued at $75,000 as part of the Manitoba Lithium Option Agreement (see note 6), and 1,119,403 shares valued at $50,000 as part of the Zoro North Option Agreement (see note 6).

- issued 2,000,000 common shares at a price of $0.10 per share as a result of the completion of a private placement. Proceeds received net of share issue costs were $200,000.

- issued 1,904,761 units at a price of $0.053 per unit as a result of the completion of a private placement. Proceeds received net of share issue costs were $94,004. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each warrant will be exercisable into one common share for a three year term at a price of $0.105.

- issued 2,500,800 shares with a fair value of $125,040 to repay non-related party short-term loans of $125,040.

- issued 65,763 shares valued at $7,778 to settle $7,778 of debt with the CEO and other directors.

- issued 16,655,769 shares valued at $832,789 to settle $832,789 of debt with related parties and non-related parties.

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options:

The Company follows the policies of the Canadian Securities Exchange under which it is authorized to grant options to executive officers and directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the day before the date of grant. The options can be granted for a maximum term of ten years.

The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relation activities" must vest in stages over 12 months with no more than ¼ of the options granted vesting in any six month period.

During the nine months ended December 31, 2020, the Company

- granted 5,050,000 stock options to directors and consultants of the Company. The options are exercisable at $0.07 per option for five years with an estimated fair value of $325,000.
- granted 9,000,000 stock options to directors and consultants of the Company. The options are exercisable at $0.08 per option for five years with an estimated fair value of $635,700.

During the year ended March 31, 2020, the Company granted 950,000 stock options to consultants with an exercise price of $0.05 expiring 5 years from date of grant with an estimated fair value of $38,600. Options will be subject to vesting over a period of 2 years with 25% immediately, and 25% each six months thereafter.

Stock option transactions for the period ended December 31, 2020 are summarized as follows:

Expiry Date	Exercise Price	Balance Mar 31, 2020	Granted	Exercised	Forfeited/ Expired	Balance December 31, 2020	Exercisable
November 16, 2020	$0.050	100,000	-	-	(100,000)	-	-
May 18, 2021	$0.130	250,000	-	-	(250,000)	-	-
June 27, 2021	$0.100	250,000	-	-	-	250,000	250,000
October 17, 2021	$0.050	250,000	-	(250,000)	-	-	-
February 6, 2022	$0.110	500,000	-	-	(500,000)	-	-
January 17, 2024	$0.120	9,000,000	-	-	(9,000,000)	-	-
February 5, 2025	$0.050	950,000	-	-	(950,000)	-	-
June 12, 2025	$0.070	-	5,050,000	(1,200,000)	(500,000)	3,350,000	3,350,000
November 20, 2025	$0.080	-	9,000,000	-	-	9,000,000	9,000,000
Total		11,300,000	14,050,000	(1,450,000)	(11,300,000)	12,600,000	12,600,000
Weighted average exercise price		$0.11	$0.08	$0.07	$0.11	$0.08	$0.08
Weighted average remaining life (years)						4.69	

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options (cont'd…)

The fair value of stock options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the period ended December 31, 2020	For the year ended March 31, 2020
Fair value per option	$0.07	$0.04
Exercise price	$0.08	$0.05
Expected life (years)	5	5
Interest rate	0.40%	1.43%
Annualized volatility (based on historical volatility)	145.50%	149%
Dividend yield	0.00%	0.00%

Stock option transactions for the year ended March 31, 2020 are summarized as follows:

Expiry Date	Exercise Price	Balance Mar 31, 2019	Granted	Exercised	Cancelled/ Expired	Balance Mar 31, 2020	Exercisable
November 16, 2020	$0.050	100,000	-	-	-	100,000	100,000
May 18, 2021	$0.130	250,000	-	-	-	250,000	250,000
June 27, 2021	$0.100	250,000	-	-	-	250,000	250,000
October 17, 2021	$0.050	250,000	-	-	-	250,000	250,000
February 6, 2022	$0.110	500,000	-	-	-	500,000	500,000
January 17, 2024	$0.120	9,000,000	-	-	-	9,000,000	9,000,000
February 5, 2025	$0.050	-	950,000	-	-	950,000	237,500
Total		10,350,000	950,000	-	-	11,300,000	10,587,500
Weighted average exercise price		$0.12	$0.05	-	-	$0.11	$0.12
Weighted average remaining life (years)						3.61	

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (cont'd…)

d) Unit warrants:

During the period ended December 31, 2020, the Company issued 19,923,112 unit warrants in connection with private placement financings. Based on the residual method, no value was allocated to the unit warrants issued. A continuity of the unit warrants granted is as follows:

Expiry Date	Exercise Price	Balance March 31, 2020	Granted	Exercised	Cancelled/ Expired	Balance December 31, 2020
June 25, 2022	$0.105	952,380	-	-	-	952,380
August 28, 2022	$0.08	-	7,461,556	-	-	7,461,556
August 28, 2022	$0.10	-	7,461,556	-	-	7,461,556
December 15, 2022	$0.10	-	5,000,000	-	-	5,000,000
Total		952,380	19,923,112	-	-	20,875,492
Weighted average exercise price						$0.09
Weighted average remaining life (years)						1.25

During the year ended March 31, 2020, the Company issued 952,380 unit warrants in connection with private placement financings. Based on the residual method, no value was allocated to the unit warrants issued. A continuity of the unit warrants granted is as follows:

Expiry Date	Exercise Price	Balance March 31, 2019	Granted	Exercised	Cancelled/ Expired	Balance March 31, 2020
February 15, 2020	$0.100	666,667	-	-	(666,667)	-
June 25, 2022	$0.105	-	952,380	-	-	952,380
Total		666,667	952,380	-	(666,667)	952,380
Weighted average exercise price						$0.11
Weighted average remaining life (years)						2.24

e) Agent warrants:

During the period ended December 31, 2020 and the year ended March 31, 2020, the Company did not grant any agent warrants.

f) Reserves:

Reserves comprise of share-based payments and warrant reserves.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

Paid or accrued to:	Nature of transaction		For the period ended December 31, 2020		December 31, 2019
Key management personnel:					
Former Directors	Management fees, consulting fees, and share-based payments	$	34,089	$	153,000
CEO	Management fees, consulting fees, and share-based payments		146,267		-
Former CEO	Management fees, consulting fees, and share-based payments		61,089		204,000
CFO	Management fees and share-based payments		146,267		-
Former CFO	Management fees and share-based payments		-		69,067
		$	387,712	$	426,067

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

		As at December 31, 2020		As at March 31, 2020
Due to CEO	$	6,886	$	-
Due to former CEO	$	80,997	$	59,108
Due to CFO	$	5,838	$	-
Due to former directors of the Company	$	18,000	$	-
	$	111,721	$	59,108

The amounts due are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended March 31, 2020, the Company issued 10,307,700 shares valued at $519,875 for settlement of debt with related parties of $519,875 (Note 9).

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the period ended December 31, 2020, significant non-cash investing and financing transactions included:

a) included in accounts payable and accrued liabilities is $350,949 related to exploration and evaluation assets.

b) issued 515,474 common shares with a fair value of $50,000 for the acquisition of exploration and evaluation assets.

c) issued 1,450,000 common shares upon exercise of options resulting in a reallocation of share-based reserves of $92,876 from reserves to share capital.

During the period ended December 31, 2019, significant non-cash investing and financing transactions included:

a) issued 16,721,532 common shares with a fair value of $840,567 for services.

b) issued 2,619,403 common shares with a fair value of $125,000 for the acquisition of exploration and evaluation assets.

(Expressed in Canadian dollars)

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd…)

c) issued 2,500,800 shares with a fair value of $125,040 to settle non-related party debts.

d) included in accounts payable and accrued liabilities is $324,355 related to exploration and evaluation assets.

13. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

	December 31, 2020	March 31, 2020
Exploration and evaluation assets		
Canada	$ 4,966,809	$ 4,856,584
United States	954,708	778,032
	$ 5,921,517	$ 5,634,616

14. FINANCIAL RISK MANAGEMENT

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from fiscal year 2020.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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 and 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 market data.

The fair value of the Company's long-term investment constitutes a Level 1 fair value measurement.

The carrying value of cash, accounts payable and accrued liabilities, and short-term loans payable approximate their fair value because of the short-term nature of these instruments.

14. FINANCIAL RISK MANAGEMENT (cont'd…)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of $130,039 (March 31, 2020 – $3,207) to settle current liabilities of $755,989 (March 31, 2020 - $732,066). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company is exposed to liquidity risk and is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and option agreement payments that are denominated in a foreign currency. There is a risk in the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. SUBSEQUENT EVENTS

On January 14, 2021, the Company issued 1,000,000 common shares upon exercise of options for gross proceeds of $70,000.

On January 15, 2021, the Company issued 2,000,000 common shares upon exercise of options for gross proceeds of $160,000.

On January 15, 2021, the Company granted 4,800,000 stock options to consultants of the Company. The options are exercisable at $0.145 per option for five years.

15. SUBSEQUENT EVENTS (cont'd…)

On January 19, 2021, the Company issued 952,380 common shares upon exercise of warrants for gross proceeds of $100,000.

On January 21, 2021, the Company issued 200,000 common shares upon exercise of options for gross proceeds of $14,000.

On January 25, 2021, the Company issued 60,000 common shares upon exercise of warrants for gross proceeds of $6,000.

On January 25, 2021, the Company issued 125,000 common shares upon exercise of options for gross proceeds of $8,750.

On January 26, 2021, the Company issued 1,365,000 common shares upon exercise of warrants for gross proceeds of $103,000.

On January 27, 2021, the Company issued 176,000 common shares upon exercise of warrants for gross proceeds of $13,200.

On February 2, 2021, the Company issued 350,000 common shares upon exercise of options for gross proceeds of $27,000.