ETRUSCUS RESOURCES CORP.

Condensed Interim Financial Statements

December 31, 2020

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.

Index to Condensed Interim Financial Statements

For the nine-month period ended December 31, 2020

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW

The accompanying condensed interim financial statements of Etruscus Resources Corp. (the "Company") are the responsibility of management and have not been reviewed by the Company's auditors.

These condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Company has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Financial Position

As at December 31, 2020

(Expressed in Canadian Dollars)

(prepared by management)

	December 31, 2020 (unaudited)	*March 31, 2020 (audited)*
ASSETS		
Current assets		
Cash and cash equivalents	$ 228,019	$ 45,961
Receivables *(Note 3)*	19,904	47,667
BCMETC receivable (*Note 4*)	-	270,908
Retainers, deposits and prepaid expenses	35,000	4,018
Total current assets	282,923	368,554
Exploration and evaluation assets (*Note 4*)	3,015,267	1,426,231
Reclamation deposit	20,000	20,000
Property and Equipment *(Note 5)*	35,276	52,067
Total assets	$ 3,353,466	$ 1,866,852
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	$ 28,201	$ 67,918
Due to related parties *(Note 8)*	-	55,784
Lease liability *(Note 6)*	18,765	17,676
Flow-through share premium liability *(Notes 7 and 11)*	62,388	23,699
Total current liabilities	109,354	165,077
Lease liability *(Note 6)*	9,959	24,172
Total liabilities	119,313	189,249
EQUITY		
Share capital *(Note 7)*	4,576,088	2,404,152
Equity reserves	630,211	438,089
Deficit	(1,972,146)	(1,164,638)
Total equity	3,234,153	1,677,603
Total liabilities and equity	$ 3,353,466	$ 1,866,852

Nature of Operations and Going Concern *(Note 1)*
Events After the Reporting Period (*Note 12*)

Approved and authorized on behalf of the Board on February 26, 2020.

Gordon Lam Director

Fiore Aliperti Director

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and nine-month periods ended December 31, 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Three months ended December 31, 2020	*Three months ended December 31, 2019*	*Nine months ended December 31, 2020*	*Nine months ended December 31, 2019*
Operating Expenses:				
Advertising, marketing, promotion	**$ 43,297**	**$ 22,369**	**$ 381,007**	**$ 24,585**
Consulting fees (Note 8)	**39,350**	**44,500**	**175,118**	**160,950**
Depreciation (Note 5)	**5,597**	**6,481**	**16,791**	**13,578**
Investor relations fees	**25,500**	**-**	**27,667**	**-**
Office and general	**5,605**	**6,848**	**24,925**	**16,763**
Professional fees	**2,217**	**5,252**	**34,110**	**5,252**
Regulatory and transfer agent fees	**7,343**	**5,418**	**31,015**	**11,888**
Rent	**3,708**	**3,660**	**11,363**	**12,278**
Share-based compensation *(Note 7)*	**25,451**	**-**	**187,810**	**-**
Travel	**-**	**-**	**-**	**797**
Total operating expenses	**(158,068)**	**(94,528)**	**(889,806)**	**(246,091)**
Amortization of discount *(Note 6)*	**(600)**	**(943)**	**(2,063)**	**(1,967)**
Other income from settlement of flow-through share premium liability *(Note 11)*	**-**	**-**	**83,155**	**-**
Net finance income	**1,023**	**382**	**1,206**	**10,506**
Loss and comprehensive loss for the period	**$ (157,645)**	**$ (95,089)**	**$ (807,508)**	**$ (237,552)**
Basic and diluted loss per common share	**$ (0.01)**	**$ (0.00)**	**$ (0.03)**	**$ (0.01)**
Weighted average number of common shares outstanding:				
Basic and diluted	**24,966,330**	**19,500,224**	**24,405,031**	**19,429,537**

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Changes in Equity

For the nine-month period ended December 31, 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Number of Shares	*Amount*	*Equity Reserves*	*Deficit*	*Total*
Balance at March 31, 2019	**19,394,001**	**$ 1,947,612**	**$ 430,585**	**$ (809,121)**	**$ 1,569,076**
Shares issued for cash- private placement	1,834,500	486,590	-	-	486,590
Share issuance costs	-	(1,500)	-	-	(1,500)
Flow-through share premium liability	-	(27,965)	-	-	(27,965)
Loss for the period	-	-	-	(237,552)	(237,552)
Balance at December 31, 2019	**21,228,501**	**$ 2,404,737**	**$ 430,585**	**$ (1,046,673)**	**$ 1,788,649**
Share issuance costs	-	(585)	-	-	(585)
Share-based compensation	-	-	7,504	-	7,504
Loss for the period	-	-	-	(117,965)	(117,965)
Balance at March 31, 2020	**21,228,501**	**$ 2,404,152**	**$ 438,089**	**$ (1,164,638)**	**$ 1,677,603**
Shares issued for cash- private placement	7,210,805	2,336,000	-	-	2,336,000
Share issuance costs- cash	-	(56,658)	-	-	(56,658)
Share issuance costs- fair value of finders' warrants	-	(21,391)	21,391	-	-
Flow-through share premium liability	-	(121,844)	-	-	(121,844)
Shares issued for cash- options exercised	75,000	18,750	-	-	18,750
Fair value of exercised options	-	17,079	(17,079)	-	-
Share-based compensation	-	-	187,810	-	187,810
Loss for the period	-	-	-	(807,508)	(807,508)
Balance at December 31, 2020	**28,514,306**	**$ 4,576,088**	**$ 630,211**	**$ (1,972,146)**	**$ 3,234,153**

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Cash Flows

For the nine-month period ended December 31, 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	2020	*2019*
Cash flows provided by (used in) operating activities		
Loss for the period	**$ (807,508)**	$ (237,552)
Add-back non-cash items:		
Depreciation	**16,791**	13,578
Share-based compensation	**187,810**	-
Amortization of lease liability discount	**2,063**	1,967
Finance income	**(1,023)**	(10,506)
Other income from settlement of flow-through share premium liability	**(83,155)**	-
Changes in non-cash working capital items:		
Receivables	**27,763**	(7,654)
Retainers, deposits and prepaid expenses	**(30,982)**	2,146
Due from related party	**-**	(943)
Accounts payable and accrued liabilities	**(21,092)**	1,843
Due to related parties	**(48,534)**	(4,200)
Net cash used in operating activities	**(757,867)**	(241,321)
Cash flows used in investing activities		
Investment in exploration and evaluation assets	**(1,614,911)**	(1,307,722)
Purchase of property and equipment	**-**	(9,266)
Tax credit received	**270,908**	-
Net finance income received	**1,023**	20,942
Net cash used in investing activities	**(1,342,980)**	(1,296,046)
Cash flows provided (used in) financing activities		
Shares issued for cash	**2,354,750**	486,590
Share issuance costs	**(56,658)**	(1,500)
Lease payments	**(15,187)**	(10,126)
Net cash provided by financing activities	**2,282,905**	474,964
Change in cash and cash equivalents during the period	**182,058**	(1,062,403)
Cash and cash equivalents, beginning of period	**45,961**	1,276,494
Cash and cash equivalents, end of period	**$ 228,019**	$ 214,091

Cash and cash equivalents consist of:		
Cash	**$ 228,019**	$ 214,091
Guaranteed investment certificates	**-**	-
Total	**$ 228,019**	$ 214,091

Supplemental Disclosure with Respect to Cash Flows *(Note 11)*

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Etruscus Resources Corp. ("the Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company's registered office is located at Suite #1400 - 1125 Howe St., Vancouver, British Columbia, V6Z 2K8, and its operating office is located at Suite #604 - 850 West Hastings St., Vancouver, British Columbia V6C 1E1. The Company's common shares were listed for trading on the Canadian Securities Exchange ("CSE") on January 15, 2019 (the "Listing Date") under the symbol "ETR" and was listed on the Frankfurt Stock Exchange on May 19, 2020 under the symbol "ERR".

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, at December 31, 2020 the Company has incurred an accumulated deficit since its inception of $1,972,146 (March 31, 2020 - $1,164,638). The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations. There can be no assurance that the Company will continue to be able to raise the funds necessary to continue operations through the ensuing year. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Since incorporation, the Company has raised equity financing from investors to provide for its early-stage exploration and working capital needs. The Company expects to continue such fundraising for the foreseeable future. The Company may also consider convertible debentures, third party earn-ins or joint venture arrangements to ensure the continuation of exploration activities. To the extent future financing is not available, future working capital commitments may not be satisfied and future exploration programs would face curtailment and could result in a loss of property ownership or earning opportunities for the Company.

Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. 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.

On March 11, 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak has continued to spread resulting in adverse public health developments. It has adversely affected global workforces, economies, and financial markets. The pandemic is weighing heavily on people's behavior and their mental health, causing changes in consumption patterns as some economic sectors benefit while other sectors suffer. It is not possible for the Company to predict the duration or magnitude of the impacts from the outbreak nor its effect on the Company's business or operations. However, the Company completed three private placements in 2020 allowing it to execute successful exploration and drilling programs, ending field operations on October 9, 2020. Our stakeholders and key exploration subcontractors worked with us to ensure each had implemented virus mitigation measures, with B.C. Worksafe and federal government COVID-19 guidelines having been adopted into our respective operating processes.

The Company operates in a single jurisdiction with a single business activity of exploration and, accordingly, segmented information is not presented.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company have been applied consistently to all periods presented in these condensed interim financial statements.

Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), and are presented in Canadian dollars which is the financial currency of the Company.

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

These condensed interim financial statements should be read in conjunction with the Company's annual financial statements and notes thereto for the year ended March 31, 2020. These condensed interim financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of their application as those followed in the March 31, 2020 annual financial statements.

3. RECEIVABLES

	December 31, 2020	*March 31, 2020*
Recoverable sales taxes	$ 19,904	$ 47,667
Total receivables	$ 19,904	$ 47,667

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Rock & Roll Property	*Sugar Property*	*Total*
Balance, March 31, 2019	$ 301,789	$ -	$ 301,789
Additions:			
Acquisition costs	19,383	9,566	28,949
Accommodation and camp costs	189,598	2,968	192,566
Assays and laboratory analysis	50,711	1,588	52,299
Community relations	44,720	-	44,720
Drilling	471,522	-	471,522
Field expenses	14,920	-	14,920
Geological and geophysical consulting	184,417	6,725	191,142
Helicopters and aircraft support	382,406	4,967	387,373
Licenses, claim fees and permits	11,859	-	11,859
Less:			
Recoveries- BCMETC*	(267,658)	(3,250)	(270,908)
Net additions	1,101,878	22,564	1,124,442
Balance, March 31, 2020	$ 1,403,667	$ 22,564	$ 1,426,231
Additions:			
Acquisition costs	1,302	-	1,302
Accommodation and camp costs	326,430	12,831	339,261
Assays and laboratory analysis	12,985	780	13,765
Drilling	412,326	-	412,326
Field expenses	21,572	-	21,572
Geological and geophysical consulting	154,975	9,088	164,063
Helicopters and aircraft support	324,865	24,177	349,042
Licenses, claim fees and permits	31,496	-	31,496
Surveying	254,774	16,262	271,036
Less:			
Recoveries	(14,827)	-	(14,827)
Net additions	1,525,898	63,138	1,589,036
Balance, December 31, 2020	$ 2,929,565	$ 85,702	$ 3,015,267

* BC Mineral Exploration Tax Credit

Rock & Roll Property, Liard Mining Division, Northwest British Columbia, Canada

The Rock & Roll Property (the "Property") consists of forty (40) contiguous mineral claims totaling 22,699 hectares ("Ha") situated in the Liard Mining Division of British Columbia, in the Iskut River Valley of the Coast Mountains in northwestern British Columbia. Fourteen (14) of the claims are subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties (the "Royalty Holders"). The Company has an option to purchase one-half of the 2% NSR (the "NSR Buyout Option") for a future payment of $2,000,000 to the Royalty Holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The NSR Buyout Option was granted to the Company immediately after the Listing Date.

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Rock & Roll Property, Liard Mining Division, Northwest British Columbia, Canada (continued)

Following the acquisition of the initial group of 14 claims, the Company staked 19 mineral claims contiguous to the Property, totaling 9,503 Ha at a cost of $16,630 during the year ended March 31, 2019 and staked an additional 6 contiguous claims totaling 7,730 Ha at a cost of $19,383 during the year ended March 31, 2020. In the current period, the Company staked one additional claim totalling 744 Ha at a cost of $1,302.

Equity has notified the Company that there may be unregistered royalties on the Property in favour of Prime Equities International Corporation. To the Company's best information and belief, such royalties (i) are not evidenced by any completed legal instrument and (ii) have not been the subject of any notice or claim to Equity asserting such royalties. The Company has agreed to indemnify Equity against all costs, charges, and expenses, including any amount paid to settle a threatened or an actual action or to satisfy a judgment, reasonably incurred by Equity in the event that such possible royalties are validated as existing legal obligations binding on the Property.

Sugar Property - Liard Mining Division, Northwest British Columbia, Canada

During the year ended March 31, 2020, the Company staked 11 contiguous mineral claims totaling 5,181 Ha at a cost of $9,566. The group of claims is known as the Sugar Property ("Sugar"), located approximately 7 km northwest of the Company's Rock & Roll Property and 25 km southwest of the Galore Creek deposit. No drilling has ever been done on Sugar.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, titles are in good standing.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

	Right-of-use assets	*Computers and software*	*Furniture and fixtures*	Total
Cost:				
Balance, March 31, 2019	$ -	$ 3,878	$ 7,349	$ 11,227
Additions	60,827	1,060	1,589	63,476
Balance, December 31, 2019, March 31, 2020 and September 30, 2020	$ 60,827	$ 4,938	$ 8,938	$ 74,703
Accumulated depreciation:				
Balance, March 31, 2019	$ -	$ 1,392	$ 1,286	$ 2,678
Depreciation	9,781	1,871	1,926	13,578
Balance, December 31, 2019	9,781	3,263	3,212	16,256
Depreciation	5,077	679	624	6,380
Balance, March 31, 2020	14,858	3,942	3,836	22,636
Depreciation	15,231	411	1,149	16,791
Balance, December 31, 2020	$ 30,089	$ 4,353	$ 4,985	$ 39,427
Net book value - March 31, 2020	$ 45,969	$ 996	$ 5,102	$ 52,067
Net book value – December 31, 2020	**$ 30,738**	**$ 585**	**$ 3,953**	**$ 35,276**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities for the Company are comprised as follows:

	December 31, 2020	*March 31, 2020*
Accounts payable	$ 28,201	$ 52,918
Accrued liabilities	-	15,000
	$ 28,201	$ 67,918

(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Lease liability:

On July 1, 2019, the Company entered into a premises sublease for a three-year period, with terms following those of the head lease. The lessor is Metallis Resources Inc. ("MTS"), a public company related by two common directors and a common officer. The sublease is for ½ of the space leased by MTS for fixed monthly lease payments of $1,688 per month. The sublease falls under the scope of IFRS 16. Accordingly, the lease liability was measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate of 8%, the same discount rate as that used by MTS for its head lease accounting. At the inception of the sublease, the Company recognized on the statement of financial position a lease liability of $54,210 and a corresponding ROU asset of the same amount. Leasehold improvement costs of $6,617 were also recorded as ROU assets.

The following tables summarize the calculation of lease liability recognized in the financial statements:

Lease liability

Operating lease commitment as at July 1, 2019	$	60,750
Discount using incremental borrowing rate		(6,540)
Lease liability recognized as at July 1, 2019		54,210
Lease payments		(15,188)
Lease interest		2,826
Balance as at March 31, 2020		41,848
Lease payments		(15,187)
Lease interest		2,063
Balance as at December 31, 2020	$	28,724

Current portion	$	18,765
Long-term portion		9,959
Balance as at December 31, 2020	$	28,724

At December 31, 2020, future lease payments, including variable costs not subject to IFRS 16, are as follows:

Year ended March 31, 2021	$	8,996
Year ended March 31, 2022		35,984
Year ended March 31, 2023		8,996
Total	$	53,976

7. SHARE CAPITAL

Authorized: Unlimited number of common shares, without par value.

Issued: 28,514,306 common shares (March 31, 2020 – 21,228,501 common shares), of which 4,500,000 shares are held in escrow as of December 31, 2020 and are released each January 15 and July 15 in tranches of 1,500,000, ending January 15, 2022.

7. SHARE CAPITAL (continued)

Transactions for the period ended December 31, 2020:

a) On June 2, 2020, the Company completed a non-brokered private placement for gross proceeds of $306,250 by the issuance of 1,225,000 units at a price of $0.25 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at $0.40 per share for a two-year period. Total finders' fees of $525 were incurred. No residual value was assigned to the warrant component of the private placement.

b) On September 15, 2020, the Company announced the closing of a non-brokered private placement, raising a total of $1,499,550 in two tranches. The financing consisted of 3,520,000 non-flow-through units at a price of $0.35 per unit for proceeds of $1,232,000 and 594,555 flow-through units at a price of $0.45 per unit for proceeds of $267,550. Each non-flow-through unit consists of one common share and one common share purchase warrant exercisable at $0.50 per share for a period of 3 years. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant exercisable at $0.60 per share for a period of 3 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units. The Company recorded a flow-through premium liability of $59,456 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units.

   The Company incurred total issuance costs of $41,023 comprised of filing fees of $3,812, finder's fees of $23,222 and 65,061 finder's warrants issued to arm's length parties, as permitted by securities law. The finders' warrants were valued at $13,989 following the Black Scholes pricing model and are exercisable at $0.45 per common share for a three (3) year period.

c) On July 15, 2020, 1,500,000 common shares were released from escrow.

d) On July 29, 2020, 40,000 consultants' stock options were exercised at $0.25 per share for proceeds of $10,000.

e) On October 6, 2020, 35,000 consultants' stock options were exercised at $0.25 per share for proceeds of $8,750.

f) On December 30, 2020, the Company closed a non-brokered private placement, raising a total of $530,200 in two tranches. The financing consisted of 980,000 non-flow-through units at a price of $0.25 per unit for proceeds of $245,000 and 891,250 flow-through units at a price of $0.32 per unit for proceeds of $285,200. Each non-flow-through unit consists of one common share and one common share purchase warrant exercisable at $0.40 per share for a period of 2 years. Each flow-through unit consists of one flow-through common share and one non-flow-through common share purchase warrant exercisable at $0.50 per share for a period of 2 years. No residual value was assigned to the warrant component of either the flow-through or non-flow-through units. The Company recorded a flow-through premium liability of $62,388 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units.

   The Company incurred total issuance costs of $34,386 comprised of filing fees of $2,340, legal fees of $6,644, finder's fees of $18,000 and 58,000 finder's warrants valued at $7,402, issued to arm's length parties as permitted by securities law. The finders' warrants were valued following the Black Scholes pricing model and are exercisable at $0.285 per common share for a 2-year period.

7. SHARE CAPITAL (continued)

Transactions for the period ended December 31, 2020: (continued)

All shares issued under the private placements completed during the period ended December 31, 2020 are subject to a hold period of four months and one day from the date of issuance. Proceeds of all non-flow-through financings will be used for exploration and general working capital. The proceeds from the issuance of flow-through shares are being used to fund Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) which shall qualify as "flow-through mining expenditures", for purposes of the *Income Tax Act* (Canada), related to the Company's Rock & Roll and Sugar properties in BC.

Transactions for the year ended March 31, 2020:

a) On December 27, 2019, the Company completed a private placement of 1,834,500 units, raising gross proceeds of $486,590, as follows:

   i) The Company issued 1,435,000 units at a price of $0.25 per unit, raising $358,750. Each unit consists of one common share and ½ of one non-transferrable share purchase warrant with each full warrant exercisable at a price of $0.40 per share for a two-year period. Total issuance costs of $1,500 were incurred; and

   ii) The Company also issued 399,500 flow-through units at a price of $0.32 per flow-through unit, raising $127,840. Each flow-through unit consists of one flow-through common share and ½ of one non-flow-through, non-transferrable share purchase warrant with each full warrant exercisable at a price of $0.50 per share for a two-year period. The Company recorded a flow-through premium liability of $27,965 as a deduction from share capital, being the difference between the amounts recognized in common shares and the amounts investors paid for the units. Total issuance costs of $585 were incurred.

   No residual value was assigned to the warrant component of the private placement.

   All shares issued under the private placement completed during the year ended March 31, 2020 were subject to a hold period of four months and one day from the date of issuance. Proceeds of all non-flow-through financings were used for exploration and general working capital. The proceeds from the issuance of flow-through shares were used to fund Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) which shall qualify as "flow-through mining expenditures", for purposes of the *Income Tax Act* (Canada), related to the Company's Rock & Roll and Sugar properties in BC.

b) On July 15, 2019 and January 15, 2020, 1,500,000 common shares were released from escrow.

Stock options:

At the Annual General and Special Meeting on December 16, 2020, the shareholders adopted a 10% Rolling Stock Option Plan ("SOP") under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option equals the market price of the Company's stock as calculated on the date of grant. The options vest upon grant, except for investor relations options which vest over a minimum of a one-year period, pursuant to regulation. The fair value of the option grants is determined, and the vested portion is recorded over time pursuant to the Black-Scholes option pricing model as a credit to equity reserves.

During the nine-month period ended December 31, 2020, the Company granted the following stock options:

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options: (continued)

a) In May 2020, the Company granted 230,000 stock options to consultants, exercisable at $0.25 per share for a period of five years. The options vested upon grant. Share-based compensation of $41,516 was recorded.

b) In September 2020, the Company granted 675,000 stock options to consultants, exercisable at $0.36 per share for a period of five years, of which 475,000 stock options vested upon grant and 200,000 stock options, granted to the Company's Investor Relations provider, vest over a one-year period. For the period ended December 31, 2020, share-based compensation of $120,843 was recognized in respect of the consultants options and $25,451 was recognized in respect of the vested (1/4) portion of the investor relations options.

During the year ended March 31, 2020, the Company granted 60,000 stock options to a consultant, exercisable at $0.25 per share for a period of five years. The options vested upon grant. Share-based compensation of $7,504 was recognized.

During the nine-month period ended December 31, 2020 and the year ended March 31, 2020, the Company recognized share-based compensation for the purpose of valuing stock option grants as well as for the purpose of valuing finders' warrants issued pursuant to private placements, using the following ranges of weighted average assumptions:

	Period ended December 31, 2020	Year ended March 31, 2020
Weighted average assumptions:		
Risk-free interest rate	0.28% - 0.42%	1.1%
Expected dividend yield	-	-
Expected option life (years)	2 - 5	5
Expected Stock price volatility	88.1% - 112.6%	89.5%
Weighted average share price at grant date	$0.25 - $0.39	$ 0.25
Weighted average fair value at grant date	$0.19 - $ 0.36	$ 0.25
Expected forfeiture rate	-	-

Number of stock options outstanding:	Number of Stock options	Weighted average exercise price
Balance at March 31, 2019	1,885,000	$ 0.25
Options granted	60,000	0.25
Options terminated	(250,000)	(0.25)
Balance at March 31, 2020	1,695,000	$ 0.25
Options granted	905,000	0.33
Options exercised	(75,000)	0.25
Balance at December 31, 2020	2,525,000	$ 0.28

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options: (continued)

As at December 31, 2020, the following stock options are outstanding and exercisable:

Expiry Date	Number of Outstanding Stock Options	Number of Vested Stock Options	Exercise Price ($)	Weighted average remaining contractual life (years)
January 15, 2024	1,250,000	1,250,000	0.25	3.04
January 21, 2024	260,000	260,000	0.25	3.06
March 15, 2024	50,000	50,000	0.28	3.21
February 27, 2025	60,000	60,000	0.25	4.16
May 25, 2025	230,000	230,000	0.25	4.40
September 25, 2025	675,000	525,000	0.36	4.74
Total outstanding options	2,525,000	2,375,000		3.65

Warrants:

Through certain unit offerings that completed, the Company has issued share-purchase warrants in addition to shares. Warrant transactions are summarized as follows:

Number of share purchase warrants outstanding:	Number of warrants	Weighted average exercise price
Balance at March 31, 2020	3,614,250	$ 0.50
Warrants issued	6,398,241	0.48
Warrants expired	(2,697,000)	0.50
Balance at December 31, 2020	7,315,491	$ 0.47

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants: (continued)

As at December 31, 2020, the following warrants are outstanding:

Expiry Date	Number of Warrants outstanding	Exercise Price ($)	Weighted average remaining contractual life (years)
December 19, 2021	37,500	0.40	0.97
December 27, 2021	680,000	0.40	0.99
December 27, 2021	199,750	0.50	0.99
June 1, 2022	1,225,000	0.40	1.41
August 6, 2023	3,130,000	0.50	2.60
August 6, 2023	53,861	0.45	2.60
August 6, 2023	276,444	0.60	2.60
September 4, 2023	390,000	0.50	2.68
September 4, 2023	318,111	0.60	2.68
September 4, 2023	11,200	0.45	2.68
December 18, 2022	365,000	0.40	1.96
December 18, 2022	445,625	0.50	1.96
December 18, 2022	50,000	0.285	1.96
December 30, 2022	125,000	0.40	2.00
December 30, 2022	8,000	0.285	2.00
Total	7,315,491		2.12

8. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

The following related parties for the periods presented include directors and key management personnel, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Hatch 8 Consulting is a company controlled by the current Chief Executive Officer and director of the Company, and provides consulting services to the Company;

b) Lever Capital Corp. is a company owned by the Chief Financial Officer and provides consulting services to the Company;

c) The Company’s Corporate Secretary provided general administrative services, bookkeeping and corporate secretarial services to the Company up to September 25, 2019;

d) Avanti Consulting Inc. is a company controlled by a director of the Company who acts as Executive Chairman of the Board, and provides consulting services to the Company;

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

e) DRW Geological Consultants Ltd. is a company that is controlled by the Company's Vice-President of Exploration and which provides the Company with geological consulting services, the amounts of which are capitalized under exploration and evaluation assets; and

f) Metallis Resources Inc. ("MTS") is a public company that has two directors and an officer in common with the Company. MTS subleases office space to the Company.

Amounts owing to related parties at December 31, 2020 is $Nil (March 31, 2020 - $55,784), comprised of amounts owing to management and amounts owing to MTS as follows:

i) The aggregate value of key management compensation and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the period ended December 31, 2020	Transactions for the year ended March 31, 2020	**Balance payable as at December 31, 2020**	Balance payable as at March 31, 2020
Short-term benefits:					
Hatch 8 Consulting	**(a)**	**$ 67,500**	$ 90,000	**$ -**	$ 10,750
Lever Capital Corp.	**(b)**	**22,500**	30,000	**-**	15,750
Sameen Oates	**(c)**	**-**	15,000	**-**	-
Avanti Consulting Inc.	**(d)**	**22,500**	30,000	**-**	15,750
DRW Geological Consultants Ltd.	**(e)**	**36,000**	48,000	**-**	4,200
Total		**$ 148,500**	$ 213,000	**$ -**	$ 46,450

iii) During the period ended December 31, 2020, the company entered into transactions with MTS as follows:

	Due to MTS as at March 31, 2020	Transactions during the period ended December 31, 2020	Amounts repaid	**Due to MTS as at December 31, 2020**
Rent incl. GST	$ 9,334	$ 28,003	$ (37,337)	**$ -**
Office expenses incl. GST	-	4,783	(4,783)	**-**
Total	$ 9,334	$ 32,786	$ (42,120)	**$ -**

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments consist of financial assets and financial liabilities which are accounted for under *IFRS 9 – Financial Instruments*. Financial instruments are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and which have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and cash equivalents, receivables, and reclamation deposit. Cash and cash equivalents and reclamation deposit are classified as fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. Receivables are classified as amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term maturities.

- Financial liabilities comprise accounts payable, lease liability and amounts due to related parties which are classified as other financial liabilities and measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

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 profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

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

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Level 3 – Inputs that are not based on observable market data, with fair value measurement derived from valuation techniques.

The fair values of cash and cash equivalents are measured at fair value on a recurring basis based on Level 1 inputs of the fair value hierarchy and reclamation deposit is measured at fair value based on Level 2 inputs.

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

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents and receivables. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables have historically consisted primarily of Canadian GST and mineral exploration tax credits receivable and accrued interest on short-term money market investments, and management believes the collectability of these amounts to be assured.

Liquidity risk

Liquidity risk is related to the ability of the Company to meet its obligations as they come due. The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required and may also enter into earn-in arrangements or the sale of certain property interests. There can be no assurance the Company will be able to obtain its future financings on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing market conditions, the market interest in financing the Company's mineral property exploration programs, and the scope of such programs.

The Company's basic 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 cash and cash equivalents of $228,019 (March 31, 2020 -$45,961) to settle current liabilities of $109,354 (March 31, 2020 - $165,077). Additional financing will be required for the ensuing year.

Interest rate risk

The Company is not exposed to material risk in the event of interest rate fluctuations. The Company has no long-term debt other than an office lease and has not entered into any interest rate swaps or other financial arrangements to mitigate the exposure to interest rate fluctuations, and current interest rates remain historically low.

Market risk

The Company is subject to limited market risk as the price of any short-term money market investments that it might hold fluctuates due to market forces. The Company has no control over their fluctuating prices and does not hedge its investments, but the fluctuations are limited in scope and volatility and are unlikely have a material impact on valuation. At the date of this report however, the Company held no short-term money market investments.

Foreign currency risk

The Company's functional currency is the Canadian dollar, and an immaterial amount of transactions are in other currencies. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

10. CAPITAL MANAGEMENT

Capital is comprised of shareholders' equity, and the Company is not subject to externally imposed capital requirements. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early stage explorer requires management to plan for its current and future cash needs while continually monitoring the Company's internal, exploration and financing risks. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls and remains confident that sufficient financing will be raised to ensure working capital needs are met and exploration funds are available for future exploration. Management also endeavors where possible to minimize shareholder dilution through executing future financings at higher equity prices than prior financings, subject to market conditions.

The capital for operations and property acquisition and exploration has historically come from, and is expected to continue to come from, the issuance of common shares or units of common shares and warrants. The proceeds raised from the Company's financings to date have facilitated the acquisition of a property of merit, funded the costs of going public, and covered the first two years of corporate overhead, field exploration and drilling.

There were no changes in the Company's capital management objectives during the period ended December 31, 2020.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the nine-month period ended December 31, 2020 were as follows:

a) As at December 31, 2020, $21,375 capitalized to exploration and evaluation assets is included in accounts payable and accrued liabilities;

b) The Company's exploration costs incurred during the period were sufficient to extinguish both the flow-through premium liability of $23,699 as at March 31, 2020 as well as a $59,456 flow through premium liability recorded pursuant to the flow-through private placement of $267,550, completed in September 2020. These amounts total $83,155, recognized as other income on settlement of flow-through premium liability for the period ended December 31, 2020.

The significant non-cash investing and financing transactions during the nine-month period ended December 31, 2019 were as follows:

a) As at December 31, 2019, $13,332 capitalized to exploration and evaluation assets is included in accounts payable and accrued liabilities; and

b) Equipment additions of $54,210 were recorded as ROU assets concurrently with equivalent lease obligations recognized on the statements of financial position as at July 1, 2019 following the application of IFRS 16 in relation to a new three-year office sublease dated the same day. As at December 31, 2019, those equipment additions pursuant to IFRS 16 had a net book value of $45,174 and total lease obligations were $46,051.

12. EVENTS AFTER THE REPORTING PERIOD

On January 15, 2021, 1,500,000 common shares were released from escrow.