ETRUSCUS RESOURCES CORP.

Condensed Interim Financial Statements

June 30, 2021

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.

Index to Condensed Interim Financial Statements

For the three-month period ended June 30, 2021

(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 June 30, 2021
(Expressed in Canadian Dollars)

	June 30, 2021 (unaudited)	*March 31, 2021 (audited)*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 2,256,984**	$ 31,106
Receivables *(Note 3)*	**14,927**	11,094
BCMETC receivable (*Note 4*)	**236,411**	236,411
Prepaid expenses	**50,489**	-
Total current assets	**2,558,811**	278,611
Exploration and evaluation assets (*Note 4*)	**2,904,133**	2,836,989
Reclamation deposit	**50,800**	20,000
Property and Equipment *(Note 5)*	**24,274**	29,681
Total assets	**$ 5,538,018**	$ 3,165,281
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**$ 70,159**	$ 15,000
Due to related parties *(Note 8)*	**649**	20,475
Lease liability *(Note 6)*	**19,528**	19,143
Flow-through share premium liability *(Notes 7(a), 7(c))*	**134,583**	53,844
Total current liabilities	**224,919**	108,462
Lease liability *(Note 6)*	**-**	5,029
Total liabilities	**224,919**	113,491
EQUITY		
Share capital *(Note 7)*	**6,914,136**	4,575,149
Equity reserves	**716,937**	640,217
Deficit	**(2,317,974)**	(2,163,576)
Total equity	**5,313,099**	3,051,790
Total liabilities and equity	**$ 5,538,018**	$ 3,165,281

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

Approved and authorized on behalf of the Board on August 25, 2021.

Jason Leikam Director

Fiore Aliperti Director

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three-month periods ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	2021	*2020*
Operating Expenses:		
Advertising, marketing, promotion	**$ 34,617**	$ 173,586
Consulting fees (*Note 8*)	**72,942**	50,438
Depreciation (*Note 5*)	**5,407**	5,597
Investor relations fees	**24,000**	-
Office and general	**12,690**	8,383
Professional fees	**-**	316
Regulatory and transfer agent fees	**3,414**	16,744
Rent	**3,933**	3,827
Share-based compensation (*Note 7*)	**8,669**	41,516
Total operating expenses	**(165,672)**	(300,407)
Amortization of discount	**(419)**	(775)
Other income from settlement of flow-through share premium liability	**11,693**	4,266
Loss and comprehensive loss for the period	**$ (154,398)**	$ (296,916)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding:		
Basic and diluted	**29,658,882**	21,591,963

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Changes in Equity

For the period ended June 30, 2021

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	Share Capital				
	Number of Shares	*Amount*	*Equity Reserves*	*Deficit*	*Total*
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	1,225,000	306,250	-	-	306,250
Share issuance costs	-	(525)	-	-	(525)
Share-based compensation	-	-	41,516	-	41,516
Loss for the period	-	-	-	(296,916)	(296,916)
Balance at June 30, 2020	**22,453,501**	**$ 2,709,877**	**$ 479,605**	**$ (1,461,554)**	**$ 1,727,928**
Shares issued for cash- private placements	5,985,805	2,029,750	-	-	2,029,750
Share issuance costs	-	(78,463)	21,391	-	(57,072)
Flow-through share premium liability	-	(121,844)	-	-	(121,844)
Shares issued for cash- options exercised	75,000	18,750	-	-	18,750
Fair value of options exercised	-	17,079	(17,079)	-	-
Share-based compensation	-	-	156,300	-	156,300
Loss for the period	-	-	-	(702,022)	(702,022)
Balance at March 31, 2021	**28,514,306**	**$ 4,575,149**	**$ 640,217**	**$ (2,163,576)**	**$ 3,051,790**
Shares issued for cash- private placements	8,372,316	2,604,127	-	-	2,604,127
Share issuance costs	-	(172,708)	68,051	-	(104,657)
Flow-through share premium liability	-	(92,432)	-	-	(92,432)
Share-based compensation	-	-	8,669	-	8,669
Loss for the period	-	-	-	(154,398)	(154,398)
Balance at June 30, 2021	**36,886,622**	**$ 6,914,136**	**$ 716,937**	**$ (2,317,974)**	**$ 5,313,099**

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Cash Flows

For the three-month periods ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(unaudited – prepared by management)

	2021	*2020*
Cash flows provided by (used in) operating activities		
Loss for the period	**$ (154,398)**	$ (296,916)
Add-back non-cash items:		
Depreciation	**5,407**	5,597
Share-based compensation	**8,669**	41,516
Amortization of lease liability discount	**419**	775
Other income from settlement of flow-through share premium liability	**(11,693)**	(4,266)
Changes in non-cash working capital items:		
Receivables	**(3,833)**	39,181
Prepaid expenses	**(50,489)**	(52,003)
Accounts payable and accrued liabilities	**55,159**	(6,680)
Due to related parties	**(19,826)**	13,412
Net cash used in operating activities	**(170,585)**	(259,384)
Cash flows provided by (used in) investing activities		
Investment in exploration and evaluation assets	**(67,144)**	(9,092)
Payment of reclamation deposit	**(30,800)**	-
Net cash used in investing activities	**(97,944)**	(9,092)
Cash flows provided by (used in) financing activities		
Shares issued for cash	**2,604,127**	306,250
Share issuance costs	**(104,657)**	(525)
Lease payments	**(5,063)**	(5,063)
Net cash provided by financing activities	**2,494,407**	300,662
Change in cash and cash equivalents during the period	**2,225,878**	32,186
Cash and cash equivalents, beginning of period	**31,106**	45,961
Cash and cash equivalents, end of period	**$ 2,256,984**	$ 78,147

Cash and cash equivalents consist of:		
Bank deposits	**$ 2,256,984**	$ 78,147

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

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").

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 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 June 30, 2021 the Company has incurred an accumulated deficit since its inception of $2,317,974 (March 31, 2021 - $2,163,576). 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. 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 on July 1, 2017, the Company raised equity financing from investors to provide for its early-stage exploration and working capital needs. Alternatively, the Company may also consider convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of Company's 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.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations into 2022. 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. Vaccination efforts continue on a global basis as new variants of the virus emerge. The pandemic has adversely affected global workforces, economies, and financial markets, triggering economic upheavals. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its future impacts on the Company's business or operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these 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, 2021. 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, 2021 annual financial statements.

Future changes in accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2021 reporting period. These standards have been assessed by the Company and are not expected to have a significant impact on the Company's financial statements.

3. RECEIVABLES

	June 30, 2021	*March 31, 2021*
Recoverable sales taxes	$ 14,927	$ 11,094
Total receivables	$ 14,927	$ 11,094

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Rock & Roll Property	*Sugar Property*	*Total*
Balance, March 31, 2020	$ 1,403,667	$ 22,564	$ 1,426,231
Additions:			
Acquisition costs	1,302	-	1,302
Accommodation and camp costs	326,429	12,831	339,260
Assays and laboratory analysis	28,447	-	28,447
Drilling	412,326	-	412,326
Field expenses	28,755	-	28,755
Geological and geophysical consulting	186,475	9,088	195,563
Helicopters and aircraft support	324,865	24,177	349,042
Licenses, claim fees and permits	36,265	-	36,265
Surveying	254,774	16,262	271,036
*Less: Recoveries**	(242,294)	(8,944)	(251,238)
Balance, March 31, 2021	$ 2,761,011	$ 75,978	$ 2,836,989
Additions:			
Accommodation and camp costs	2,266	-	2,266
Assays and laboratory analysis	10,525	-	10,525
Community relations	40,000	-	40,000
Field expenses	18,661	-	18,661
Geological and geophysical consulting	27,000	-	27,000
Licenses, claim fees and permits	389	-	389
Less: Recoveries	(31,697)	-	(31,697)
Balance, June 30, 2021	$ 2,836,989	$ 75,978	$2,904,133

*Comprised of 2020 BCMETC credit of $236,411 and 2019 BCMETC credit of $14,827.

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

The Rock & Roll Property (the "Property") consists of thirty-nine (39) contiguous mineral claims totaling 21,955 hectares ("ha") situated in the Liard Mining Division of British Columbia, in the Iskut River Valley of the Coast Mountains in northwestern British Columbia.

Under an agreement dated March 1, 2018 with Equity Exploration Consultants Ltd. ("Equity"), the Company acquired 14 contiguous claims, known as the Rock & Roll Property, totaling 4,723 ha for $50,000 cash and 800,000 common shares of the Company at a value of $0.10 per share, for a total initial acquisition cost of $130,000. The Property is subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties (the "Royalty Holders"). The Company received 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 by the issuance of 300,000 shares to the Royalty Holders immediately after the Listing Date, issued at a fair value of $0.25 per share for a total fair value of $75,000, capitalized to exploration and evaluation assets.

During the year ended March 31, 2020, the Company staked an additional 25 mineral claims contiguous to the Property, totaling 17,233 ha at a cost of $36,013.

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

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 Teck Resources/Newmont Gold's Galore Creek joint venture project. No historical drilling has been recorded at 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 and June 30, 2021	$ 60,827	$ 4,938	$ 8,938	$ 74,703
Accumulated depreciation:				
Balance, March 31, 2020	$ 14,858	$ 3,942	$ 3,836	$ 22,636
Depreciation	20,308	548	1,530	22,386
Balance, March 31, 2021	$ 35,166	$ 4,490	$ 5,366	$ 45,022
Depreciation	5,077	62	268	5,407
Balance, June 30, 2021	$ 40,243	$ 4,552	$ 5,634	$ 45,022
Net book value - March 31, 2021	$ 25,661	$ 448	$ 3,572	$ 29,681
Net book value – June 30, 2021	**$ 20,584**	**$ 386**	**$ 3,304**	**$ 24,274**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

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

	June 30, 2021	*March 31, 2021*
Accounts payable	$ 55,159	$ -
Accrued liabilities	15,000	15,000
	$ 70,159	$ 15,000

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.

(Expressed in Canadian Dollars)

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

Lease liability (continued)

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

Lease liability

Balance as at March 31, 2020	$ 41,848
Lease payments	(20,250)
Lease interest	2,574
Balance as at March 31, 2021	24,172
Lease payments	(5,063)
Lease interest	419
Balance as at June 30, 2021	$ 19,528

Current portion	$ 19,528
Long-term portion	-
Balance as at June 30, 2021	$ 19,528

At June 30, 2021, future lease payments, including variable costs not subject to IFRS 16, are as follows:

Year ended March 31, 2022	$ 26,988
Year ended March 31, 2023	8,996
Total	$ 35,984

7. SHARE CAPITAL

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

Issued: 36,886,622 common shares (March 31, 2021 – 28,514,306 common shares), of which 3,000,000 shares are held in escrow as at June 30, 2021 and continue to be released each July 15th and January 15th in tranches of 1,500,000, ending January 15, 2022.

7. SHARE CAPITAL (continued)

Transactions for the period ended June 30, 2021:

a) On June 30, 2021, the Company completed a non-brokered private placement for total gross proceeds of \$2,604,127. The financing consisted of 6,523,672 non-flow-through units at a price of \$0.30 per unit for proceeds of \$1,957,102 and 1,848,644 flow-through units at a price of \$0.35 per unit for proceeds of \$647,025. Each non-flow-through unit consists of one common share and ½ of a 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 ½ of a non-flow-through common share purchase warrant exercisable at \$0.45 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 \$92,432 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 finders' fees of \$90,832 were paid and 478,273 finders' warrants were issued to arm's length parties, as permitted by securities law. The finders' warrants are exercisable at \$0.33 per share for a two-year period, and were valued at \$68,051 following the Black Scholes pricing model.

All shares issued under the private placement completed by the Company are subject to a hold period of four months and one day from the date of issuance. Proceeds of all non-flow-through financings are used for exploration and general working capital. The proceeds from the issuance of flow-through shares are only 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). The Company will renounce these expenses to the purchasers with an effective date of no later than December 31, 2021, and as required under the Act.

Transactions for the year ended March 31, 2021:

b) 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.

c) 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 finder's fees of \$23,222 and 65,061 finder's warrants were 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-year period.

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

7. SHARE CAPITAL (continued)

Transactions for the year ended March 31, 2021: (continued)

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

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

g) 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 ½ of a common share purchase warrant, with each full 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 ½ of a non-flow-through common share purchase warrant, with each full 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 private placement 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.

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

Stock options:

At the Company's 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 period ended June 30, 2021, share-based compensation of $8,669 was recorded in respect of investor relations options which vested during the period, and which were granted in September, 2020. No stock options were granted or exercised during the current period.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options: (continued)

During the year ended March 31, 2021, the Company granted the following stock options:

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 year ended March 31, 2021, share-based compensation of $120,843 was recognized in respect of the consultants options and $35,457 was recognized in respect of the vested portion of the investor relations options.

During the period ended June 30, 2021 and the year ended March 31, 2021, 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 weighted average assumptions:

	Period ended June 30, 2021	Year ended March 31, 2021
Weighted average assumptions:		
Risk-free interest rate	0.97%	0.35%
Expected dividend yield	-	-
Expected option life (years)	3.5	3.5
Expected Stock price volatility	81%	100%
Weighted average share price at grant date	$0.33	$0.33
Weighted average fair value at grant date	$0.345	$0.28
Expected forfeiture rate	-	-

Number of stock options outstanding:	Number of Stock options	Weighted average exercise price
Balance at March 31, 2020	1,695,000	$ 0.25
Options granted	905,000	0.33
Options exercised	(75,000)	0.25
Balance at March 31, 2021	2,525,000	$ 0.28
Options terminated	(250,000)	0.27
Balance at June 30, 2021	2,275,000	$ 0.28

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options: (continued)

As at June 30, 2021, the following stock options are outstanding and vested:

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	2.55
January 21, 2024	60,000	60,000	0.25	2.56
March 15, 2024	50,000	50,000	0.28	2.71
February 27, 2025	60,000	60,000	0.25	3.67
May 25, 2025	230,000	230,000	0.25	3.90
September 21, 2025	625,000	575,000	0.36	4.23
Total outstanding options	2,275,000	2,225,000		3.18

Warrants:

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

Schedule of changes in share purchase warrants:	Number of warrants	Weighted average exercise price
Balance at March 31, 2020	3,614,250	$ 0.48
Warrants issued	6,398,241	0.48
Warrants expired	(2,697,000)	0.50
Balance at March 31, 2021	7,315,491	0.47
Warrants issued	4,664,430	0.40
Balance at June 30, 2021	11,979,921	$ 0.44

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Warrants: (continued)

As at June 30, 2021, 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	0.47
December 27, 2021	680,000	0.40	0.49
December 27, 2021	199,750	0.50	0.49
June 1, 2022	1,225,000	0.40	0.92
August 6, 2023	3,130,000	0.50	2.10
August 6, 2023	53,861	0.45	2.10
August 6, 2023	276,444	0.60	2.10
September 4, 2023	390,000	0.50	2.18
September 4, 2023	318,111	0.60	2.18
September 4, 2023	11,200	0.45	2.18
December 18, 2022	365,000	0.40	1.47
December 18, 2022	445,625	0.50	1.47
December 18, 2022	50,000	0.285	1.47
December 30, 2022	125,000	0.40	1.50
December 30, 2022	8,000	0.285	1.50
May 19, 2023	270,000	0.40	1.89
May 19, 2023	636,072	0.45	1.89
May 19, 2023	68,400	0.33	1.89
June 8, 2023	534,166	0.40	1.94
June 8, 2023	103,250	0.45	1.94
June 8, 2023	58,450	0.33	1.94
June 30, 2023	2,457,669	0.40	2.00
June 30, 2023	185,000	0.45	2.00
June 30, 2023	351,423	0.33	2.00
Total	11,979,921		1.76

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 Chief Executive Officer and director of the Company, and provides consulting services to the Company;

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

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c) 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;

d) DRW Geological Consultants Ltd. is a company that is controlled by the Company's former Vice-President of Exploration and which provided the Company with geological consulting services up to March 31, 2021, the amounts of which are capitalized under exploration and evaluation assets; and

e) Metallis Resources Inc. "MTS" is a public company that has two directors and an officer in common with Etruscus Resources Corp.

Amounts owing to related parties at June 30, 2021 is $649 (March 31, 2021 - $20,475), comprised of (i) amounts owing to management and/or (ii) 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 June 30, 2021	Transactions for the year ended March 31, 2021	**Balance payable as at June 30, 2021**	Balance payable as at March 31, 2021
Short-term benefits:					
Hatch 8 Consulting	**(a)**	**$ 36,000**	$ 103,500	**$ -**	$ 12,600
Lever Capital Corp.	**(b)**	**13,500**	36,000	**-**	4,725
Avanti Consulting Inc.	**(c)**	**9,000**	31,500	**-**	3,150
DRW Geological Consultants Ltd.	**(d)**	**-**	48,000	**-**	-
Total		**$ 58,500**	$ 219,000	**$ -**	$ 20,475

ii) During the period ended June 30, 2021, the company entered into transactions with MTS as follows:

	Due to MTS, March 31, 2021	Invoiced	Paid	**Due to MTS, June 30, 2021**
Rent including GST	$ -	$ 9,446	$ (9,446)	**$ -**
Office expenses, net, including GST	-	649	-	**649**
Total	$ -	$ 10,095	$ (9,446)	**$ 649**

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments consist of financial assets and financial liabilities and 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 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 that 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, 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. 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
Level 3 – Inputs that are not based on observable market data, with fair value measurement derived from valuation techniques.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

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 accrued interest on short-term money market investments for which 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's basic approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required but may also enter into earn-in arrangements or the sale of certain property interests. However, there can be no assurance the Company will be able to obtain its future financing needs 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 following are the contractual maturities of financial liabilities as at June 30, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable and accrued liabilities	$ 70,159	$ (70,159)	$ (70,159)	$ -
Demand loans from related parties	649	(649)	(649)	-
Lease liabilities	19,528	(19,528)	(19,528)	-
Total	$ 90,336	$ (90,336)	$ (90,336)	$ -

The Company has sufficient liquidity to meet its day-to-day obligations for the ensuing year and fund its 2021 Phase I exploration programs. Depending on the scope of additional work programs, additional financing may be required.

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 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. For these reasons, the Company believes it is not subject to material risks should interest rates change.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk

The Company is subject to limited market risk as the price of its short-term money market investments fluctuates due to market forces. The Company has no control over their fluctuating prices, does not hedge its investments and the fluctuations are limited in scope and volatility. As at June 30, 2021, 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 all components 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 future exploration funds are available for future exploration. Management strives to minimize shareholder dilution through executing future financings at higher equity prices than prior financings, subject to market conditions.

The capital for operations and the acquisition and exploration of exploration and evaluation assets has historically come from the issuance of common shares. 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, covered overheads and the first two years of exploration and drilling.

There were no changes in the Company's capital management objectives during the period ended June 30, 2021.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the period ended June 30, 2021 were as follows:

a) The Company's completion of a flow-through private placement during the period resulted in an increase of the flow-through premium liability of $92,432, recorded as a reduction from share capital;

b) Exploration costs incurred during the period resulted in a $11,693 debit against the flow-through premium liability; and

c) As at June 30, 2021, BC METC receivable of $236,411 is included in exploration and evaluation assets as a recovery.

(Expressed in Canadian Dollars)

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the period ended June 30, 2020 were as follows:

a) As at June 30, 2020, $46,828 capitalized to exploration and evaluation assets was included in accounts payable and accrued liabilities and $16,000 capitalized to exploration and evaluation assets was included in due to related parties; and

b) The Company incurred exploration costs of $31,920 during the period, reducing the flow-through share premium liability by $4,266, recorded as other income on settlement of flow-through share premium liability.

12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2021, the Board of Directors appointed director Jason Leikam as President and CEO after the resignation of Gordon Lam who continues as a director, shareholder and consultant. The Board also appointed Stephen Wetherup as its Vice-President of Exploration following the resignation of David Webb.

On July 15, 2021, 1,500,000 common shares were released from escrow, leaving 1,500,000 held in escrow and which will be released on January 15, 2022.

On July 23, 2021 the Company issued 500,000 common shares and paid $110,000 in connection with an option to acquire a 100% interest in the Lewis Gold Property in central Newfoundland. The Property consists of two claim blocks in the heart of the Peyton Linear gold trend: the Peyton South claims and the Linear claims. Together, the Property totals 25.67 square kilometers (2,567 ha) and establishes Etruscus in a key location within central Newfoundland's highly active exploration region. Three separate option agreements were completed under which the Company can acquire a 100% interest in the property claims for aggregate, staged consideration of $870,000 and 3,100,000 common shares over a four year period, as follows:

Date	**Cash**	**Shares**
Acceptance Date	$110,000	500,000
First Anniversary	$150,000	625,000
Second Anniversary	$150,000	650,000
Third Anniversary	$195,000	650,000
Fourth Anniversary	$265,000	675,000
Total	**$870,000**	**3,100,000**

Each claim block carries a two percent (2%) Net Smelter Returns royalty, subject to the purchase of one percent (1%) for $2,000,000 on or before commercial production.