Stevens Gold Nevada Inc.

Business Acquisition Report
Form 51-102F4

March 4, 2021

BUSINESS ACQUISITION REPORT
Form 51-102F4

1 IDENTITY OF COMPANY

1.1 Name and Address of Company

Stevens Gold Nevada Inc. ("Stevens Gold" or the "Company")
350 – 1650 West 2nd Avenue
Vancouver, British Columbia
V6J 1H4

1.2 Executive Officer

The following is a senior executive officer of the Company who is knowledgeable about the significant acquisition and this Form 51-102F4 – *Business Acquisition Report*:

Charles MaLette
Chief Executive Officer

(604) 428-5171

2 DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

The Company has completed the acquisition of the Millennium Gold Project Option. To accomplish this acquisition, the Company acquired Lynx Gold Mining Corp. and its subsidiaries ("**Lynx**"), which hold the option. Lynx is in the business of mineral exploration and development. The Millennium Gold Project Option is comprised of the right, title and interest in an option to acquire a series of mineral exploration permits from the Arizona State Land Department known as the Millennium Gold Project (the "**Permits**"), pursuant to a mineral rights agreement with the individuals who hold the existing mineral permits and rights to the property (the "**Owner**").

The Company has acquired the exclusive right and privilege to explore for and develop minerals on and within the Millennium Gold Project, and upon completion of the obligations set out in the Millennium Gold Project Option shall be vested with title to the Permits subject to a 3% net smelter return royalty payable to the Owner. The Millennium Gold Project Option consists of one property option that consists of three sections and has an area of 3 square miles (7.68 km^2). A section is defined as one mile by one mile, which is 1,609 meters square.

For additional information regarding the Millennium Gold Property, please see the technical report entitled "NI 43-101 Technical Report on the Millennium Gold Property Mojave County, Arizona, U.S.A." prepared for the Company by Mark Fedikow, Ph.D. P.Geo. C.P.G., dated effective November 9, 2020, which was filed on the Company's profile on SEDAR (www.sedar.com) on January 13, 2021.

2.2 Acquisition Date

November 4, 2020.

2.3 Consideration

The Company acquired 100% of the issued and outstanding common shares of Lynx from the shareholders of Lynx in exchange for the allotment and issuance of Stevens Gold common shares to the Lynx shareholders on a 1:1 basis (the "**Transaction**"). The Company issued 14,744,798 of its common shares to the Lynx shareholders as consideration in the Transaction (the "**Consideration Shares**"). Upon the closing of the Transaction, Lynx had no securities convertible or exchangeable into other Lynx securities.

The Stevens Gold common shares issued in connection with the Transaction are subject to resale restrictions for four months and a day following completion of the Transaction. In addition, 12,286,100 of the Consideration Shares (the "**Lock-Up Securities**") are subject to lock-up agreements and will be released in accordance with the following schedule, where the term "Issuance Date" shall mean the date of issuance of the Lock-Up Securities by the Company:

Date of Automatic Timed Release (Release Dates)	Amount of Lock-Up Securities Released
Issuance Date	None
4 months after the Issuance Date	10% of the Lock-Up Securities
6 months after the Issuance Date	30% of the Lock-Up Securities
8 months after the Issuance Date	30% of the Lock-Up Securities
10 months after the Issuance Date	30% of the Lock-Up Securities

Notwithstanding the foregoing, if the closing price of the common shares of the Company on the Canadian Securities Exchange is greater than $0.30 for a period of five consecutive days at any time after the date that is six months from the Issuance Date, then all of the shareholder's Lock-Up Securities that are then subject to lock-up will be released as soon as reasonably possible thereafter.

The Company, Lynx and the shareholders of Lynx entered into a definitive agreement, dated effective October 26, 2020 (the "**Definitive Agreement**"), which sets out the terms and conditions of the completion of the Transaction. A copy of the Definitive Agreement was filed along with the Company's public disclosure on www.sedar.com on November 4, 2020, under the title "Other material contracts – English."

2.4 Effect on Financial Position

The Company does not have any material changes currently planned for its business affairs or the business of Lynx which may have a significant effect on the Company's financial position.

The Company is an exploration-stage mineral resource company, and its focus is on the exploration of the Millennium Gold Property. The Company may also investigate the acquisition of other mineral assets that present viable exploration opportunities.

The acquisition of Lynx and the Millennium Gold Project was not a change of business. There was no change of directors or officers of the Company in connection with the acquisition and the Transaction was at arm's length.

2.5 Prior Valuations

Neither the Company nor Lynx obtained a valuation opinion within the last 12 months to support the consideration paid by the Company to complete the Transaction of Lynx and the Millennium Gold Project Option.

2.6 Parties to the Transaction

The Transaction was at arm’s length and not with an informed person, associate or affiliate of the Company.

2.7 Date of Report

March 4, 2021.

3 FINANCIAL STATEMENTS

Please see attached schedules:

Schedule A – Audited annual consolidated financial statements of Stevens Gold Nevada Inc. for the year ended September 30, 2020

Schedule B – Audited consolidated financial statements for Lynx Gold Mining Corp. for the period from August 4, 2020 (Date of Incorporation) to September 30, 2020

Schedule C – Unaudited *Pro Forma* Consolidated Financial Statements of Stevens Gold Nevada Inc. as at September 30, 2020

This report is dated March 4, 2021.

“Charles MaLette”

By: Charles MaLette
Chief Executive Officer

SCHEDULE “A”

STEVENS GOLD NEVADA INC.

Financial Statements

Years Ended September 30, 2020, and 2019

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Stevens Gold Nevada Inc.

Opinion

We have audited the financial statements of Stevens Gold Nevada Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2020 and 2019, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had no revenues and incurred negative cash flow from operations of $460,404 during the year ended September 30, 2020 and, as of that date, the Company had an accumulated deficit of $1,379,027. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Lonny Wong.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 7, 2021

STEVENS GOLD NEVADA INC.
Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2020 $	September 30, 2019 $
ASSETS		
Current assets		
Cash	258,604	772,263
Amounts receivable	3,656	2,001
Prepaid expenses	–	13,243
Reclamation bond (Note 3)	19,392	–
Total current assets	281,652	787,507
Non-current assets		
Mineral property costs (Note 3)	–	32,500
Total assets	281,652	820,007
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	29,500	12,033
Total liabilities	29,500	12,033
Shareholders' equity		
Share capital	1,449,312	1,067,100
Share-based payment reserve	181,867	–
Warrant reserve	–	382,212
Deficit	(1,379,027)	(641,338)
Total shareholders' equity	252,152	807,974
Total liabilities and shareholders' equity	281,652	820,007

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on January 7, 2020:

/s/ "Terry Fields"	*/s/ "James Bordian"*
Terry Fields, Director	James Bordian, Director

(The accompanying notes are an integral part of these financial statements)

STEVENS GOLD NEVADA INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended September 30, 2020 $	Year ended September 30, 2019 $
Expenses		
Consulting fees (Note 4)	91,359	42,812
Impairment of mineral property costs (Note 3)	66,363	32,578
Management fees (Note 4)	51,500	52,000
Mineral exploration costs (Note 3)	167,619	365,301
Office and miscellaneous (Note 4)	7,757	18,637
Transfer agent and filing fees	35,960	–
Professional fees	100,415	52,478
Rent (Note 4)	9,000	14,500
Share-based compensation (Note 7)	181,867	–
Wages and benefits (Note 4)	25,849	24,009
Total expenses	737,689	602,315
Net loss and comprehensive loss for the year	(737,689)	(602,315)
Loss per share, basic and diluted	(0.04)	(0.04)
Weighted average shares outstanding	16,598,477	14,244,019

(The accompanying notes are an integral part of these financial statements)

STEVENS GOLD NEVADA INC.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Warrant reserve	Share subscriptions received	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$	$	$
Balance, September 30, 2018	2,500,001	12,500	–	–	498,600	(39,023)	472,077
Shares issued for cash	13,143,333	1,054,600	–	–	(498,600)	–	556,000
Special warrants issued for cash	–	–	–	388,425	–	–	388,425
Special warrants issuance costs	–	–	–	(6,213)	–	–	(6,213)
Net loss for the year	–	–	–	–	–	(602,315)	(602,315)
Balance, September 30, 2019	15,643,334	1,067,100	–	382,212	–	(641,338)	807,974
Special warrants converted to common shares	1,553,700	388,425	–	(388,425)	–	–	–
Special warrant issuance costs converted to share issuance costs	–	(6,213)	–	6,213	–	–	–
Share-based compensation	–	–	181,867	–	–	–	181,867
Net loss for the year	–	–	–	–	–	(737,689)	(737,689)
Balance, September 30, 2020	17,197,034	1,449,312	181,867	–	–	(1,379,027)	252,152

(The accompanying notes are an integral part of these financial statements)

STEVENS GOLD NEVADA INC.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended September 30, 2020 $	Year ended September 30, 2019 $
Operating activities		
Net loss for the year	(737,689)	(602,315)
Items not involving cash:		
Impairment of mineral property costs	66,363	32,578
Share-based compensation	181,867	–
Changes in non-cash operating working capital:		
Amounts receivable	(1,655)	(77)
Prepaid expenses	13,243	(13,243)
Accounts payable and accrued liabilities	17,467	11,522
Net cash used in operating activities	(460,404)	(571,535)
Investing activities		
Acquisition of exploration and evaluation assets	(33,863)	(65,078)
Reclamation bond	(19,392)	–
Net cash used in investing activities	(53,255)	(65,078)
Financing activities		
Proceeds from issuance of common shares	–	556,000
Proceeds from issuance of special warrants	–	388,425
Special warrant issuance costs	–	(6,213)
Net cash provided by financing activities	–	938,212
Change in cash	(513,659)	301,599
Cash, beginning of year	772,263	470,664
Cash, end of year	258,604	772,263

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Stevens Gold Nevada Inc. (the “Company”) was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's registered office is located at 350 – 1650 West 2nd Avenue, Vancouver, BC.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended September 30, 2020, the Company had no revenues and incurred negative cash flow from operations of $460,404. As at September 30, 2020, the Company has an accumulated deficit of $1,379,027. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Application of New IFRS

IFRS 16 Leases

On October 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted IFRS 16 using the modified retrospective method, with no significant impact on the Company's financial statements.

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include recoverability of mineral property costs, fair value of share-based compensation, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for mineral property costs requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property exceeds the fair value of the property.

2. Significant Accounting Policies (continued)

(f) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(g) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired:

- an intangible asset with an indefinite useful life
- an intangible asset not yet available for use
- goodwill acquired in a business combination

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill and intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Foreign Currency Translation

The Company's functional currency and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

2. Significant Accounting Policies (continued)

(i) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(j) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Financial Assets

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Subsequent to initial recognition, financial liabilities are measured at amortized cost unless designated as fair value through profit or loss.

Impairment of Financial Assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Financial Liabilities and Equity Instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(k) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(l) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(l) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(m) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations and comprehensive loss. As at September 30, 2020 and 2019, the Company had no items that represent comprehensive income or loss.

(n) Loss Per Share

Basic loss per share is computed using the weight average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at September 30, 2020, the Company has 1,600,000 (2019 – 1,553,700) potentially dilutive shares outstanding.

(o) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

3. Mineral Property Costs

Acquisition costs:

	Stevens Basin Property $	Black Point Property $	Total $
Balance, September 30, 2018		–	–
Additions	32,578	32,500	65,078
Impairment	(32,578)	–	(32,578)
Balance, September 30, 2019	–	32,500	32,500
Additions	–	33,863	33,863
Impairment	–	(66,363)	(66,363)
Balance, September 30, 2020	–	–	–

(Expressed in Canadian dollars)

3. Mineral Property Costs (continued)

Exploration costs:

Year ended September 30, 2020:

	Black Point Property $
Drilling	69,023
Filing fees	18,832
Geological and geophysics	79,764
	167,619

Year ended September 30, 2019:

	Stevens Basin Property $	Black Point Property $	Total $
Assays	1,112	13,885	14,997
Consulting and operator fees	4,199	14,874	19,073
Filing fees	36,305	44,581	80,886
Geological and geophysics	41,131	205,397	246,528
Rentals	671	3,146	3,817
	83,418	281,883	365,301

(a) On October 10, 2018, the Company entered into a Letter of Intent ("LOI") with Golden Pursuit Resources Ltd. ("GoldPur") to earn up to a 60% interest in the Black Point Project located in Eureka County, Nevada, USA. Under the terms of the LOI, the Company will have the right to purchase a 60% interest in the property by making a payment of US$500,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, the Company is to make annual lease payments, which shall not constitute a portion of the purchase price, as follows:

- US$25,000 within 5 business days after signing (paid);
- US$25,000 on or before October 10, 2019 (paid);
- US$25,000 on or before October 10, 2020 (extended subsequently – refer to Note 12(a));
- US$50,000 on or before October 10, 2021;
- US$50,000 on or before October 10, 2022; and
- US$100,000 on or before October 10, 2023 and annually thereafter.

GoldPur shall retain a 2% Net Smelter Return Royalty on the property. During the year ended September 30, 2020, the Company paid $19,392 (US$15,538) as a reclamation bond for the Black Point Project.

As at September 30, 2020, the Company recognized an impairment of $66,363 as the LOI with GoldPur was terminated subsequent to September 30, 2020. Refer to Note 12(h).

3. **Mineral Property Costs** (continued)

(b) On October 10, 2018, the Company entered into a Letter of Intent ("LOI") with GoldPur to earn up to a 60% interest in the Stevens Basin Project located in the Eureka County, Nevada, USA. Under the terms of the LOI, the Company will have the right to purchase a 60% interest in the property by making a payment of US$750,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, the Company will make annual lease cash payments, which shall not constitute a portion of the purchase price, as follows:

- US$25,000 within 5 business days after signing (paid);
- US$50,000 on or before October 10, 2019;
- US$50,000 on or before October 10, 2020;
- US$75,000 on or before October 10, 2021;
- US$75,000 on or before October 10, 2022; and
- US$100,000 on or before October 10, 2023 and annually thereafter.

GoldPur shall retain a 2% Net Smelter Return Royalty on the property.

On June 21, 2019, the Company terminated the LOI with GoldPur and recognized an impairment of $32,578.

4. **Related Party Transactions**

(a) During the year ended September 30, 2020, the Company incurred management fees of $42,000 (2019 – $42,000) to the Chief Executive Officer ("CEO") of the Company. As at September 30, 2020, the Company owed the CEO of the Company $12,500 (2019 – $nil), which in included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.

(b) During the year ended September 30, 2020, the Company incurred management fees of $9,500 (2019 – $10,000) to the Chief Financial Officer ("CFO") of the company.

(c) During the year ended September 30, 2020, the Company incurred wages of $13,000 (2019 – $16,250) and consulting fees of $28,000 (2019 – $27,500) to the son of the CFO of the Company and a company controlled by the son of the CFO of the Company, respectively.

(d) During the year ended September 30, 2020, the Company incurred rent of $9,000 (2019 – $nil) and office and miscellaneous of $3,000 (2019 – $nil) (2019 – $nil) to a company with common officers and directors.

5. **Share Capital**

Authorized: Unlimited number of common shares without par value.

Shares issued during the year ended September 30, 2020:

(a) On February 18, 2020, the Company issued 1,553,700 common shares upon the automatic conversion of 1,553,700 special warrants due to the receipt of the Company's final prospectus (Notes 6(a) and (b)).

Shares issued during the year ended September 30, 2019:

(b) On October 15, 2018, the Company issued 10,343,333 common shares at $0.06 per share for proceeds of $620,600, of which $498,600 had been received as at September 30, 2018. Included in this issuance were 2,150,000 common shares for proceeds of $129,000 issued to the CEO of the Company.

(c) On December 6, 2018, the Company issued 1,400,000 common shares at $0.06 per share for proceeds of $84,000.

(d) On April 5, 2019, the Company issued 1,400,000 common shares at $0.25 per share for proceeds of $350,000.

(Expressed in Canadian dollars)

6. Special Warrants

(a) On August 28, 2019, the Company completed a private placement of 248,500 non-transferable special warrants at $0.25 per special warrant for gross proceeds of $62,125. Included in this issuance were 4,000 special warrants for proceeds of $1,000 issued to a significant shareholder of the Company. Each special warrant entitles subscribers to acquire, without payment of any consideration in addition to that already paid, one common share of the Company. Each special warrant will automatically convert into common shares on the earlier of the first business day following the day on which a receipt for a final prospectus has been issued to the Company, or the 240th day following the issuance of the special warrants (April 24, 2020). In connection with the private placement, the Company paid a finder's fee of $6,213. On February 18, 2020, the special warrants automatically converted into common shares and were deemed to have been exercised. Refer to Note 5(a).

(b) On August 29, 2019, the Company completed a private placement of 1,305,200 non-transferable special warrants at $0.25 per special warrant for gross proceeds of $326,300. Each special warrant entitles subscribers to acquire, without payment of any consideration in addition to that already paid, one common share of the Company. Each special warrant will automatically convert into common shares on the earlier of the first business day following the day on which a receipt for a final prospectus has been issued to the Company, or the 240th day following the issuance of the special warrants (April 25, 2020). On February 18, 2020, the special warrants automatically converted into common shares and were deemed to have been exercised. Refer to Note 5(a).

7. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, September 30, 2018 and 2019	–	–
Granted	1,600,000	0.25
Outstanding, September 30, 2020	1,600,000	0.25

Additional information regarding stock options outstanding as at September 30, 2020, is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.25	1,600,000	4.97	0.25

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended September 30, 2020, the Company recognized share-based compensation expense of $181,867 (2019 – $nil) in equity reserves, of which $181,867 (2019 – $nil) pertains to directors and officers of the Company. The weighted average fair value of each option granted during the year ended September 30, 2020, was $0.11 (2019 – $nil) per share.

7. **Stock Options** (continued)

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2020	2019
Risk-free interest rate	0.36%	–
Expected forfeitures	0%	–
Expected volatility	60%	–
Expected life (years)	5	–

8. Fair Value Measurements and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at September 30, 2020, the Company has a cash balance of US$67,679 and has mineral property option agreement obligations (refer to Note 3) and mineral exploration expenses denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(Expressed in Canadian dollars)

8. Fair Value Measurements and Risk Management (continued)

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

10. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in the United States.

11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 $	2019 $
Statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(199,176)	(162,625)
Tax effect of:		
Permanent differences and other	49,105	(1,678)
Change in unrecognized deferred income tax assets	150,071	164,303
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2020 $	2019 $
Deferred income tax assets:		
Non-capital losses carried forward	153,302	66,070
Resource pools	170,602	107,427
Share issuance costs	1,006	1,342
Unrecognized deferred income tax assets	(324,910)	(174,839)
Net deferred income tax asset	–	–

(Expressed in Canadian dollars)

11. Income Taxes (continued)

As at September 30, 2020, the Company has non-capital losses carried forward of $567,785 (2019 – $244,702), which are available to offset future years' taxable income. These losses expire as follows:

	$
2038	39,023
2039	205,679
2040	323,083
	567,785

As at September 30, 2020, the Company has available mineral resource related expenditure pools totaling $631,861 (2019 – $430,379) which may be deducted against future taxable income on a discretionary basis.

12. Subsequent Events

(a) On October 6, 2020, the Company entered into an amending agreement on the Black Point Project LOI to extend the payment of US$25,000 originally due on October 10, 2020, to December 9, 2020 (refer to Note 3) for consideration of US$5,000.

(b) On November 3, 2020, the Company acquired 100% of the issued and outstanding common shares of Lynx Gold Mining Corp. ("Lynx") in exchange for 14,744,798 common shares. Lynx is in the business of mineral exploration and development. Lynx owns the right, title, and interest in an option to acquire a series of mineral exploration permits from the Arizona State Land Department known as the Millennium Gold Project, pursuant to a mineral rights agreement with the individuals who hold the existing mineral permits and rights to the property dated September 22, 2020.

(c) On November 3, 2020, the Company issued 1,000,000 common shares as an option payment pursuant to the Millennium Gold Project referenced in Note 12(b).

(d) On November 10, 2020, the Company issued 1,000,000 common shares pursuant to a consulting agreement entered into by Lynx prior to being acquired by the Company. Pursuant to the consulting agreement, Lynx agreed to issue 1,000,000 common shares of Lynx, or its parent company, upon entering into the option for the Millennium Gold Project referenced in Note 12(b).

(e) On November 12, 2020, the Company issued 4,995,800 units at $0.18 per unit for gross proceeds of $899,244. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at $0.235 per share for a period of two years. In connection with the private placement, the Company issued 268,504 brokers' warrants exercisable at $0.235 per share for a period of two years.

(f) On November 12, 2020, the Company issued 461,109 units to settle debt of $83,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at $0.235 per share for a period of two years.

(g) On November 25, 2020, the Company granted 150,000 stock options to a consultant of the Company. The options vested immediately and are exercisable at $0.275 per common share for a period of two years.

(h) On December 4, 2020, the Company terminated the Black Point Project LOI with GoldPur due to the disappointing drilling results.

SCHEDULE "B"

LYNX GOLD MINING CORP.

Consolidated Financial Statements

For the Period from August 4, 2020 (Date of Incorporation) to September 30, 2020

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lynx Gold Mining Corp.

Opinion

We have audited the consolidated financial statements of Lynx Gold Mining Corp. (the "Company"), which comprise the statement of financial position as at September 30, 2020, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from August 4, 2020 (date of incorporation) to September 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the period from August 4, 2020 (date of incorporation) to September 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no revenues and has negative cash flow from operations for the period from August 4, 2020 (date of incorporation) to September 30, 2020, and, as of that date, the Company has a working capital deficit of $135,404 and an accumulated deficit of $676,079. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, in the Business Acquisition Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Business Acquisition Report is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

March 2, 2021

LYNX GOLD MINING CORP.
Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	September 30, 2020 $
ASSETS	
Current assets	
Cash	3,640
Total current assets	3,640
Non-current assets	
Mineral property costs (Note 4)	38,935
Total assets	42,575
LIABILITIES AND SHAREHOLDERS' DEFICIT	
Current liabilities	
Accounts payable and accrued liabilities	31,924
Due to related parties (Note 5)	107,120
Total liabilities	139,044
Shareholders' deficit	
Share capital (Note 6)	574,610
Shares issuable (Note 6)	5,000
Deficit	(676,079)
Total shareholders' deficit	(96,469)
Total liabilities and shareholders' deficit	42,575

Nature of operations and continuance of business (Note 1)
Commitment (Note 11)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on March 2, 2021:

/s/ "Charles MaLette"
Charles MaLette, Director

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

LYNX GOLD MINING CORP.
Consolidated Statement of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	From August 4, 2020 (date of incorporation) to September 30, 2020 $
Expenses	
Management fees (Note 5)	31,500
Mineral exploration costs (Note 4)	656
Office and miscellaneous	2,718
Professional fees	12,038
Total expenses	46,912
Net loss before other expense	(46,912)
Other expense	
Transaction costs (Note 3)	(629,167)
Net loss and comprehensive loss for the period	(676,079)
Loss per share, basic and diluted	(0.25)
Weighted average shares outstanding	2,673,616

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

LYNX GOLD MINING CORP.
Consolidated Statement of Changes in Equity
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount $	Shares issuable	Deficit $	Total shareholders' deficit $
Balance, August 4, 2020 (date of incorporation)	–	–	–	–	–
Common shares issued for cash	700,000	3,500	–	–	3,500
Common shares issued to settle debt	6,300,000	31,500	–	–	31,500
Finder's shares issuable for mineral option agreement	–	–	5,000	–	5,000
Share exchange agreement with Lynx Gold Corp.	5,396,100	539,610	–	–	539,610
Net loss for the period	–	–	–	(676,079)	(676,079)
Balance, September 30, 2020	12,396,100	574,610	5,000	(676,079)	(96,469)

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

LYNX GOLD MINING CORP.
Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

	From August 4, 2020 (date of incorporation) to September 30, 2020 $
Operating activities	
Net loss for the period	(676,079)
Items not involving cash:	
Transaction costs	629,167
Changes in non-cash operating working capital:	
Accounts payable and accrued liabilities	12,348
Due to related parties	31,500
Net cash used in operating activities	(3,064)
Investing activities	
Acquisition of mineral properties	(33,935)
Cash acquired in reverse acquisition	139
Net cash used in investing activities	(33,796)
Financing activities	
Proceeds from related party loans	37,000
Proceeds from issuance of common shares	3,500
Net cash provided by financing activities	40,500
Change in cash	3,640
Cash, beginning of period	–
Cash, end of period	3,640
Non-cash investing and financing activities	
Shares issued to settle related party debt	31,500
Shares issuable for finder's fees	5,000
Accounts payable and accrued liabilities assumed in reverse acquisition	19,576
Related party debt assumed in reverse acquisition	70,120

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

1. Nature of Operations and Continuance of Business

Lynx Gold Mining Corp. (formerly Canniva Capital Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 24, 2019. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's head office is located at 350 – 1650 West 2nd Avenue, Vancouver, BC.

Effective September 30, 2020, the Company completed a share exchange transaction with Lynx Gold Corp. ("LGC") and the shareholders of LGC, whereby the Company acquired all of the issued and outstanding common shares of LGC in exchange for 7,000,000 common shares of the Company. The share exchange constituted a reverse acquisition of the Company by LGC, with LGC being identified as the accounting acquirer. As a result, these consolidated financial statements are a continuation of LGC. The Company's results of operations are included from September 30, 2020, onwards, except for capital which has been retroactively adjusted to reflect the capital of the Company. Refer to Note 3.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the period ended September 30, 2020, the Company had no revenues and incurred negative cash flow from operations. As at September 30, 2020, the Company has a working capital deficit of $135,404 and an accumulated deficit of $676,079. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, LGC, a company incorporated under the Business Corporations Act (British Columbia) on August 4, 2020, and LGC's wholly owned subsidiary Lynx Gold Exploration Corp., a company incorporated in Nevada on September 22, 2020. All intercompany transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include recoverability of mineral property costs, fair value of share-based payments, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for mineral property costs requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

2. Significant Accounting Policies (continued)

(f) Impairment of Non-financial Assets (continued)

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices, and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of operations.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the consolidated statement of operations.

(g) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates. The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations. Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

2. Significant Accounting Policies (continued)

(h) Foreign Currency Translation

The Company's functional currency and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations. Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment. Subsequent to initial recognition, financial liabilities are measured at amortized cost unless designated as fair value through profit or loss.

2. Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime expected credit losses (“ECL’s”) that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2. Significant Accounting Policies (continued)

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(l) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations. As at September 30, 2020, the Company had no items that represent comprehensive income or loss.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(m) Loss Per Share

Basic loss per share is computed using the weight average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at September 30, 2020, the Company had 1,000,000 potentially dilutive shares outstanding.

(n) Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

3. Acquisition of Lynx Gold Corp.

On September 28, 2020, the Company entered into a share exchange agreement with LGC and the shareholders of LGC (the “Share Exchange Agreement”). The closing of the Share Exchange Agreement occurred on September 30, 2020, at which time the Company issued 7,000,000 common shares in exchange for 100% of the issued and outstanding shares of LGC.

As a result of the share exchange, the former shareholders of LGC acquired 57% of the Company, and, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the transaction constitutes a reverse acquisition of the Company by LGC and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, *Share-based Payment*, and IFRS 3, *Business Combinations*. As the Company did not qualify as a business prior to the closing of the Share Exchange Agreement according to the definition in IFRS 3, this reverse acquisition did not constitute a business combination; rather it was treated as an issuance of shares by LGC for the net assets of the Company. Accordingly, no goodwill was recorded with respect to the transaction. The transaction was measured at the fair value of the common shares that LGC would have had to issue to the shareholders of the Company, being 5,396,100 common shares with a fair value of $539,610, to give the shareholders of the Company the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of LGC acquiring the Company.

These consolidated financial statements include the accounts of the Company as at September 30, 2020 and the historical accounts of the business of LGC since its incorporation on August 4, 2020.

The purchase price is allocated as follows:

	$
Fair value of Lynx Gold Mining Corp. shares (5,396,100 common shares)	539,610
Less: fair value of identifiable assets and liabilities acquired:	
Cash	139
Accounts payable and accrued liabilities	(19,576)
Due to related parties	(70,120)
Net liabilities	(89,557)
Transaction costs	629,167

(Expressed in Canadian dollars)

4. Mineral Property Costs

Acquisition costs:

	Millennium Property $
Balance, August 4, 2020 (date of incorporation)	–
Additions	38,935
Balance, September 30, 2020	38,935

Exploration costs:

Period from August 4, 2020 (date of incorporation) to September 30, 2020:

	Millennium Property $
Geological and geophysics	656

On September 22, 2020, LGC entered into a mineral agreement (the "Agreement") to acquire title to mineral exploration permits which grant the holder the right to prospect and explore the Millennium Property located in Mojave County, Arizona, USA (the "Property"). Under the terms of the Agreement, LGC will have the exclusive right and privilege to explore the Property for a term of four years, and upon completion of its obligations, the LGC shall acquire title to the permits subject to a minimum and production royalty payable to the vendors. Pursuant to the Agreement, LGC is required to make non-refundable option payments in the aggregate amount of $1,005,000, as follows:

- US$25,000 upon signing of the Agreement (paid);
- US$130,000 (paid subsequently – Note 13) and 1,000,000 common shares within 45 days of the Agreement;
- US$150,000 and 500,000 common shares prior to the first anniversary of the Agreement;
- US$225,000 and 500,000 common shares prior to the second anniversary of the Agreement; and
- US$475,000 prior to the third anniversary of the Agreement.

Pursuant to the Agreement, LGC is also required to incur exploration expenditures in the aggregate amount of $1,750,000 as follows:

- US$250,000 prior to the first anniversary of the Agreement;
- US$500,000 prior to the second anniversary of the Agreement;
- US$500,000 prior to the third anniversary of the Agreement; and
- US$500,000 prior to the fourth anniversary of the Agreement.

Upon LGC exercising its option, LGC will be obligated to make annual pre-production payments to the vendors in the amount of $200,000 beginning with a payment due on the fourth anniversary of the Agreement and continuing on an annual basis thereafter on or before each anniversary of that date until such time that mineral production sales commence. Production from the Property is subject to a 3% net smelter returns royalty (the "Royalty"), which can be reduced from 3% to 2.5% in consideration for $1,000,000. The Company has the right to further reduce the Royalty from 2.5% to 2% in consideration for an additional $1,000,000.

In connection with the Agreement, LGC agreed to pay a finder's fee of 1,000,000 common shares which had an estimated fair value of $5,000 (refer to Note 11). As at September 30, 2020, the 1,000,000 common shares have not been issued and the estimated fair value of $5,000 has been included in shares issuable.

(Expressed in Canadian dollars)

5. Related Party Transactions

(a) As at September 30, 2020, the Company owes $37,000 to the majority shareholder of the Company, which is unsecured, and non-interest bearing. The Company is required to repay 50% of the principal upon being acquired by a company that is listed on a stock exchange, and 50% upon the publicly listed company completing a financing of at least $1,000,000 in gross proceeds after the Company is acquired by the publicly listed company.

(b) As at September 30, 2020, the Company owes $16,000 to the spouse of the majority shareholder of the Company which is unsecured, non-interest bearing and due within five days of the earlier of: (a) two years from the date of the agreement, and (b) the date on which the Company closes its next round of equity financing for gross proceeds of at least $25,000.

(c) During the period from incorporation on August 4, 2020, to September 30, 2020, the Company incurred management fees of $31,500 to the majority shareholder of the Company. On September 9, 2020, LGC issued 6,300,000 common shares with a fair value of $31,500 to the majority shareholder of the Company to settle debt of $31,500.

(d) As at September 30, 2020, the Company owed $54,120 to a company controlled by the President of the Company, which is unsecured, non-interest bearing, and due on demand. Refer to Note 13(b).

6. Share Capital

Authorized: Unlimited number of common shares without par value

(a) On August 4, 2020, LGC issued 1 common share at $0.005 per share for proceeds of $1.

(b) On September 9, 2020, LGC issued 6,300,000 common shares with a fair value of $0.005 per share to settle debt of $31,500 owing to the majority shareholder of LGC.

(c) On September 9, 2020, LGC repurchased 1 common share at $0.005 per share for $1.

(d) On September 9, 2020, LGC issued 700,000 common shares at $0.005 per share for proceeds of $3,500 to the brother of the majority shareholder of LGC.

(e) On September 30, 2020, the Share Exchange Agreement closed, resulting in a reverse acquisition (refer to Note 3). The transaction was measured at the fair value of the common shares that LGC would have had to issue to the shareholders of the Company, being 5,396,100 common shares with a fair value of $539,610, to give the shareholders of the Company the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of LGC acquiring the Company.

7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, August 4, 2020 (date of incorporation)	–	–
Lynx Gold Mining Corp.'s outstanding share purchase warrants prior to reverse acquisition	1,000,000	0.02
Balance, September 30, 2020	1,000,000	0.02

7. Share Purchase Warrants (continued)

As at September 30, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
1,000,000	0.02	February 24, 2021

8. Fair Value Measurements and Risk Management

(a) Fair Values

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at September 30, 2020, the Company's mineral property option agreement obligations (refer to Note 4) and mineral exploration expenses are denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

10. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in the United States.

11. Commitment

On September 6, 2020 (as amended on September 28, 2020), the Company entered into an agreement for capital markets advisory services for an initial term ending October 31, 2021, and continuing on a month-to-month basis thereafter, until terminated. As a finder's fee for introducing the LGC to parties that enabled it to enter into an option agreement for the Millennium Property (refer to Note 4), the Company agreed to issue the consultant 1,000,000 common shares. As compensation for carrying out the advisory services, LGC is to pay the consultant a total of $162,000 (including GST) for 12 months, as follows:

- $30,000 upon the Company being acquired by a company that is listed on a Canadian stock exchange, and upon the public company completing new financing of at least $1,000,000 of net proceeds; and
- $132,000 in 10 monthly payments of $13,200 commencing on the date the public company completes a financing of $2,000,000 in net proceeds.

After the initial term, the monthly fee for consulting services will be $11,000 per month.

12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 $
Statutory income tax rate	11%
Income tax recovery at statutory rate	(74,369)
Tax effect of:	
Permanent differences and other	66,652
Non-capital losses for legal parent	(22,957)
Change in unrecognized deferred income tax assets	30,674
Income tax provision	–

The significant components of deferred income tax assets and liabilities are as follows:

	2020 $
Deferred income tax assets:	
Non-capital losses carried forward	30,595
Resource pools	79
Unrecognized deferred income tax assets	(30,674)
Net deferred income tax asset	–

As at September 30, 2020, the Company has non-capital losses carried forward of $254,959, which are available to offset future years' taxable income. These losses expire as follows:

	$
2039	24,472
2040	230,487
	254,959

13. Subsequent Events

(a) On October 5, 2020, the Company issued 1,000,000 common shares as payment for bonus to a company controlled by the President of the Company pursuant to the exercise of 1,000,000 share purchase warrants with an exercise price of $0.02 per share.

(b) On October 14, 2020, the Company entered into a Termination Agreement with a company controlled by the President of the Company, whereby the Director Agreement (Note 5(d)) was terminated and the amount of $34,120 outstanding pursuant to the Director Agreement were forgiven.

(c) On October 26, 2020, the Company issued 1,348,698 common shares at $0.15 per share for proceeds of $202,305.

(d) On October 28, 2020, the Company paid the US$130,000 payment pursuant to the Millennium Property option agreement. Refer to Note 4.

(e) On November 3, 2020, the Company was acquired by Stevens Gold Nevada Inc. (“Stevens”) and became a wholly-owned subsidiary of Stevens.

SCHEDULE “C”

Pro Forma Consolidated Financial Statements of

STEVENS GOLD NEVADA INC.

September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

STEVENS GOLD NEVADA INC.
Pro Forma Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	Stevens Gold Nevada Inc. As at September 30, 2020	**Lynx Gold Mining Corp.** As at September 30, 2020	**Pro forma adjustments**	**Note**	**Pro forma consolidated**
	$	$	$		$
ASSETS					
Current assets					
Cash	258,604	3,640			262,244
Amounts receivable	3,656	–			3,656
Reclamation bond	19,392	–			19,392
Total current assets	281,652	3,640			285,292
Investment in Lynx Gold Mining Corp.	–	–	4,423,439	3(a)	–
			300,000	3(b)	
			(4,723,439)	3(c)	
Mineral property costs	–	38,935	4,819,908	3(c)	4,858,843
Total assets	281,652	42,575	4,819,908		5,144,135
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	29,500	31,924			61,424
Due to related parties	–	107,120			107,120
Total liabilities	29,500	139,044			168,544
Shareholders' equity					
Share capital	1,449,312	574,610	4,423,439	3(a)	6,172,751
			300,000	3(b)	
			(574,610)	3(c)	
Share-based payment reserve	181,867	–			181,867
Shares issuable	–	5,000	(5,000)	3(c)	–
Deficit	(1,379,027)	(676,079)	676,079	3(c)	(1,379,027)
Total shareholders' equity	252,152	(96,469)	4,819,908		4,975,591
Total liabilities and shareholders' equity	281,652	42,575	4,819,908		5,144,135

(See accompanying notes to the unaudited pro forma consolidated financial statements)

STEVENS GOLD NEVADA INC.
Pro Forma Consolidated Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Stevens Gold Nevada Inc. Year ended September 30, 2020	**Lynx Gold Mining Corp.** From August 4, 2020 (date of incorporation) to September 30, 2020	**Pro forma adjustments**	**Note**	**Pro forma consolidated**
	$	$	$		$
Expenses					
Consulting fees	91,359	–			91,359
Impairment of mineral property costs	66,363	–			66,363
Management fees	51,500	31,500			83,000
Mineral exploration costs	167,619	656			168,275
Office and miscellaneous	7,757	2,718			10,475
Professional fees	100,415	12,038			112,453
Rent	9,000	–			9,000
Share-based compensation	181,867	–			181,867
Transfer agent and filing fees	35,960	–			35,960
Wages and benefits	25,849	–			25,849
Total expenses	737,689	46,912			784,601
Loss before other expense	(737,689)	(46,912)			(784,601)
Other expense					
Transaction costs	–	(629,167)			(629,167)
Net loss and comprehensive loss for the period	(737,689)	(676,079)			(1,413,768)
Loss per share, basic and diluted	(0.04)				(0.04)
Weighted average shares outstanding	16,598,477		15,744,798		32,343,275

(See accompanying notes to the unaudited pro forma consolidated financial statements)

1. Basis of Presentation

The unaudited pro forma consolidated financial statements ("pro forma financial statements") have been prepared by Stevens Gold Nevada Inc. (the "Company") and gives effect to the acquisition of all of the issued and outstanding common shares of Lynx Gold Mining Corp. ("Lynx"), a company incorporated under the laws of British Columbia (the "Transaction"). These unaudited pro forma financial statements have been prepared by management in accordance with International Financial Reporting Standards.

The pro forma financial information is not intended to reflect the financial position that will exist following the Transaction. Actual amounts recorded when the Transaction closed will likely differ from those recorded in the pro forma financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial information.

The Company determined that Lynx did not meet the definition of a business in accordance with IFRS 3, *Business Combinations*. As the acquisition of Lynx did not qualify as a business acquisition, the Company accounted for the Transaction as an asset acquisition, measured under IFRS 2, *Share-based Payment*. Refer to Note 2.

The pro forma financial information is presented in Canadian dollars and has been compiled from and includes:

(a) an unaudited pro forma consolidated statement of financial position as at September 30, 2020, combining the audited statement of financial position of the Company as at September 30, 2020, with the audited consolidated statement of financial position of Lynx as at September 30, 2020, giving effect to the Transaction as if it occurred on September 30, 2020.

(b) an unaudited pro forma consolidated statement of operations and comprehensive loss, combining the audited statement of operations and comprehensive loss of the Company for the year ended September 30, 2020, with the audited consolidated statement of operations and comprehensive loss of Lynx for the period from incorporation on August 4, 2020 (date of incorporation) to September 30, 2020, giving effect to the Transaction as if it occurred on October 1, 2019.

This pro forma financial information does not contain all of the information required for annual financial statements. Accordingly, it should be read in conjunction with the most recent annual and interim financial statements of both the Company and Lynx. Based on the review of the accounting policies of Lynx, it is the Company's management's opinion that there are no material accounting differences between the accounting policies of the Company and Lynx.

The pro forma adjustments and allocations of the purchase price of Lynx by the Company as an asset acquisition are based on the fair value of the common shares of the Company. The unaudited pro forma financial information is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transaction been effected on the date indicated. The actual pro forma adjustments will depend on a number of factors and could result in a change to the unaudited pro forma financial information.

(Expressed in Canadian dollars)

2. Acquisition of Lynx Gold Mining Corp.

On November 3, 2020, Stevens Gold Nevada Inc. (the "Company") entered into a Share Purchase Agreement (the "Agreement") with Lynx Gold Mining Corp. ("Lynx"), a company incorporated under the laws of British Columbia (the "Transaction"). Pursuant to the terms the Agreement, the Company issued 14,744,798 common shares of the Company in exchange for 14,744,798 shares of Lynx which represents 100% of the issued and outstanding shares of Lynx. Lynx has a subsidiary, Lynx Gold Corp ("LGC"), a British Columbia corporation and LGC itself has a subsidiary, Lynx Gold Exploration Corp., a Nevada corporation.

In connection with the acquisition, the Company was also required to issue 1,000,000 common shares as a finder's fee for the introduction of Lynx to the Millennium Property. The finder's fee was considered a transaction-related cost, and the Company recognize the fair value of the 1,000,000 shares as part of the purchase price.

The acquisition of the Lynx shares has been accounted for as an asset acquisition as, at the time of the transaction, Lynx did not meet the definition of a business. The consideration paid has been allocated to the mineral property asset as at the date of acquisition. The preliminary purchase price allocation of estimated consideration transferred is subject to change and is summarized as follows:

	$
Acquisition price – 14,744,798 common shares at $0.30 per share	4,423,439
Transaction related costs – 1,000,000 common shares at $0.30 per share	300,000
	4,723,439
Fair value of Lynx's net assets acquired	
Cash	3,640
Mineral property costs	4,858,843
Accounts payable and accrued liabilities	(31,924)
Due to related parties	(107,120)
	4,723,439

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Lynx net assets to be acquired pursuant to the Transaction is ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the unaudited pro forma consolidated financial statements and that those differences may be material.

3. Pro Forma Adjustments and Assumptions

This pro forma financial information incorporates the following pro forma assumptions:

(a) The issuance of 14,744,798 common shares of the Company to existing Lynx shareholders in exchange for 100% of the issued and outstanding common shares of Lynx was recognized at the fair value of $4,423,439.

(b) The issuance of 1,000,000 common shares of the Company as a finder's fee was considered to be a transaction related cost, and the Company recognized the fair value of $300,000 as part of the purchase price.

(c) To eliminate the investment and equity in Lynx.

(Expressed in Canadian dollars)

4. Pro Forma Share Capital

As a result of the Transaction, the share capital as at September 30, 2020 in the pro forma financial information is comprised of the following:

Authorized

Unlimited common shares, without par value

Issued

	Number of shares	Amount $
Pre-consolidation balance, Stevens Gold Nevada Inc., September 30, 2020	17,197,034	1,449,312
Pre-consolidation balance, Lynx, September 30, 2020	12,396,100	574,610
Shares issued for acquisition of Lynx	14,744,798	4,423,439
Shares issued for transaction costs	1,000,000	300,000
Elimination of pre-consolidation balances of Lynx	(12,396,100)	(574,610)
Pro forma balance, September 30, 2020	32,941,832	6,172,751