
Golden Birch Resources Inc.

Financial Statements

March 31, 2021

Golden Birch Resources Inc.

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March 31, 2021

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Notice of Non-Review of Interim Financial Statements

The attached condensed interim financial statements for the three-month period ended March 31, 2021 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements.

Golden Birch Resources Inc.

Unaudited Condensed Interim Balance Sheet

Expressed in Canadian Dollars

As at,	March 31, 2021	December 31, 2020
	\$	\$
Assets		
Current:		
Cash and term deposits	481,888	1,441,644
Prepaid expenses	13,106	13,932
Total current assets	494,994	1,455,576
Equipment, note 5	135,901	143,626
Total Assets	630,895	1,599,202
Liabilities		
Current:		
Accounts payable and accrued liabilities, note 8	176,254	161,053
Unit subscriptions	-	518,445
Total current liabilities	176,254	679,498
Total Liabilities	176,254	679,498
Shareholders' Equity		
Issued capital, note 6	7,415,236	6,977,439
Equity reserves, note 7	1,497,194	1,228,597
Deficit	(8,457,789)	(7,286,332)
Total Shareholder's Equity	454,641	919,704
Total Liabilities and Shareholder's Equity	630,895	1,599,202

Going concern, commitments and contingencies, notes 1, 4 and 9
See accompanying notes to the financial statements.

Approved on behalf of the Board:

"David Drinkwater" Director

"Iain Martin" Director

Golden Birch Resources Inc.

Unaudited Condensed Interim Statements of Changes in Equity

Expressed in Canadian Dollars

	Shares #	Issued Capital \$	Equity reserves \$	Deficit \$	Total equity \$
January 01, 2020	64,543,480	4,759,050	1,250,291	(4,422,223)	1,587,118
Shares issued for property	3,573,600	536,040	-	-	536,040
Warrants exercised, <i>note 7</i>	5,679,667	851,950	(851,950)	-	-
Share based payments	-	-	56,777	-	56,777
Loss for three months	-	-	-	(1,070,849)	(1,070,849)
March 30, 2020	73,796,747	6,147,040	455,118	(5,493,072)	1,109,086
Non-brokered private placement, net of issuance costs	11,496,679	1,514,878	-	-	1,514,878
Warrants issued, <i>note 7</i>	-	(684,479)	684,479	-	-
Share based payments	-	-	89,000	-	89,000
Loss for nine months	-	-	-	(1,793,260)	(1,793,260)
December 31, 2020	85,293,426	6,977,439	1,228,597	(7,286,332)	919,704
Non-brokered private placement, net of issuance costs	3,556,666	523,689	-	-	-
Shares issued for property, <i>note 4</i>	664,032	149,370	-	-	-
Warrants issued, <i>note 7</i>	-	(235,262)	235,262	-	-
Share based payments	-	-	33,335	-	-
Loss for three months	-	-	-	(1,171,457)	(1,171,457)
Balance at March 31, 2021	89,514,124	7,415,236	1,497,194	(8,457,789)	(251,753)

See accompanying notes to the financial statements.

Golden Birch Resources Inc.

Unaudited Condensed Interim Statements of Operations and Comprehensive Loss

Expressed in Canadian Dollars

For the three months ended March 31,	2021	2020
	\$	\$
Expenses:		
Amortization, <i>note 5</i>	7,725	2,240
Consulting services	27,313	4,928
Exploration and evaluation expenses, <i>note 4</i>	893,321	758,771
Foreign exchange loss	20,740	3,114
Insurance	2,529	2,627
Investor relations	3,742	3,703
Management fees, <i>note 8</i>	43,750	43,750
Office and general	5,717	1,568
Professional fees	76,289	106,885
Rent, <i>note 8</i>	3,000	1,500
Salaries and employee benefits, <i>note 8</i>	47,054	46,969
Share-based payments, <i>note 7 and 8</i>	33,335	56,777
Transfer agent and filing fees	6,942	31,882
Travel	-	6,135
Total expenses	1,171,457	1,070,849
Net loss and comprehensive loss for the period	(1,171,457)	(1,070,849)
Net loss per common share:		
- basic	(0.01)	(0.01)
- diluted	(0.01)	(0.01)
Weighted average number of common shares outstanding:		
- basic	88,972,386	67,565,940
- diluted	88,972,386	67,565,940

See accompanying notes to the financial statements.

Golden Birch Resources Inc.

Unaudited Condensed Interim Statements of Cash Flows

Expressed in Canadian Dollars

For the three months ended March 31,	2021	2020
	\$	\$
Cash was provided by (used in):		
Operating activities:		
Net loss for the year	(1,171,457)	(1,070,849)
Items not affecting cash:		
Shares issued for property acquisition	149,370	536,040
Amortization	7,725	2,240
Share-based payments	33,335	56,777
	(981,027)	(475,792)
Cash was provided by (used to finance) changes in the following working capital items:		
Amounts receivable	-	1
Prepaid expenses	826	(418)
Accounts payable and accrued liabilities	15,201	(14,905)
Net change in non-cash working capital	16,027	(15,322)
Net cash used in operating activities	(965,000)	(491,114)
Financing activities:		
Share subscriptions	15,055	-
Issue costs	(9,811)	-
Net cash provided by financing activities	5,244	-
Change in cash and term deposits	(959,756)	(491,114)
Cash and term deposits, beginning of period	1,441,644	1,638,012
Cash and term deposits, end of period	481,888	1,146,898
Cash and term deposits are composed of the following:		
Cash	481,888	146,899
Term deposits	-	999,999
	481,888	1,146,898

See accompanying notes to the financial statements.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

1. Nature of operations and going concern

Golden Birch Resources Inc. (the "Company" or "Golden Birch") was incorporated on October 4, 2017 under the Canada Business Corporations Act (the "Act"). The principal business of the Company is the acquisition, exploration and development of mineral property interests in Papua New Guinea. The Company is a public company incorporated in Canada with limited liability under the legislation of Canada and trades on the Canadian Securities Exchange ("GBRX"). The head office is located at 140 Cook's Lake Road, Timmins, Ontario P4R 0B7.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration and evaluation activities is dependent upon a discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, aboriginal claims, social license requirements and non-compliance with regulatory requirements..

The Company had a net loss of \$1,171,457 (March 31, 2020 - \$1,070,849) for the period ended March 31, 2021 and had an accumulated deficit of \$8,457,789 (December 31, 2020 - \$7,286,332) and working capital of \$318,740 (December 31, 2020 - \$776,078) as at March 31, 2021. The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. There is no assurance that funds will be available on terms acceptable to the Company or at all. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

1. Nature of operations and going concern (continued)

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of presentation

(a) Statement of compliance with International Financial Reporting Standards

These financial statements, including comparatives, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation

The interim condensed financial statements for the three months ended March 31, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at December 31, 2020.

Current accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

3. Significant accounting policies

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statement for the year ended December 31, 2020.

These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2020. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three month period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

3. Significant accounting policies (continued)

The significant accounting policies followed in these condensed interim financial statements are consistent with those applied in the Corporation's audited annual financial statements for the year ended December 31, 2020.

Use of critical estimates and judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

In preparing these condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2020.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

4. Exploration and evaluation expenses

Transactions for the period ended March 31, 2021 and the year ended December 31, 2020 on the Keveri project are as follows:

	March 31, 2021	December 31, 2020
Accommodations	16,352	28,746
Accounting services	28,151	19,635
Administration	1,554	22,561
Assays	8,298	1,669
Communications	2,699	16,259
Community support	2,098	-
Drilling	4,862	139,433
Employment services	10,691	-
Field supplies	47,532	73,915
Geologists	36,695	149,674
Helicopter chartering	187,244	135,209
In-country logistics	30,083	62,476
Option payments	296,985	667,305
Other	8,875	22,023
Petrological services	-	6,212
Professional services	-	2,634
Road maintenance	-	51,758
Sampling	-	1,347
Site meal services	23,360	39,613
Travel	30,474	70,986
Wages	157,368	309,722
	893,321	1,821,177

Keveri Property, Papua New Guinea

Pursuant to an option and joint venture agreement with Papuan Mineral Pty Ltd. (PMPL) and its wholly owned subsidiary Papuan Miners Ltd. (PML) dated August 28, 2018, which agreement was replaced by a definitive option agreement amongst the parties dated March 20, 2020, the Company has an option to acquire 85% of the issued and outstanding shares of PML. PML is the legal and beneficial owner of 100% of the licences which encompass the Keveri Project in Papua New Guinea. The renewal application for one of the two licences for the Keveri Project is currently in process.

The interest will be earned in two stages: To exercise the first option and earn a 51% interest in the Keveri Project, the Company must:

- (a) pay to PMPL \$129,000 AU (\$123,000) within 25 days of execution of the agreement (paid);
 - (b) pay to PMPL \$100,000 AU (\$96,000) within six months of the execution of the agreement if the shares of the Company are not listed on a recognized stock exchange ("Listing") (paid);
 - (c) pay to PMPL \$200,000 AU (\$192,000) within twelve months of the execution of the agreement if the shares of the Company are not listed on a recognized stock exchange (paid);
-

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

4. Exploration and evaluation expenses (continued)

Keveri Property, Papua New Guinea (continued)

- (d) List the shares of the Company on a recognized stock exchange within 18 months of the execution date, August 24, 2018, of the agreement (Completed). Effective March 2, 2020, the Company commenced trading on the Canadian Securities Exchange ("CSE");
- (e) fund a total of \$300,000 AU in exploration expenditures on the Keveri Project, within twelve months of March 2, 2020 (Completed);
- (f) complete 3,000 metres of diamond drilling within 30 months of March 2, 2020;
- (g) complete an equity financing of not less than \$3,000,000 AU (\$2,876,000), net of fees, upon Listing. Equity financing's completed prior to listing are included in the total (Completed);
- (h) pay to PMPL \$450,000 AU (\$431,000) in cash as follows:
 - (i) \$150,000 AU (\$131,000) upon Listing (paid);
 - (ii) \$150,000 AU (\$149,000) within 12 months of Listing or by the issuance of Common Shares (at the Company's election) at the volume-weighted average price for trading of Common Shares on a recognized stock exchange immediately preceding their issue (paid); and
 - (iii) \$150,000 AU (\$144,000) within 24 months of Listing or by the issuance of Common Shares (at the Company's election) at the volume-weighted average price for trading of Common Shares on a recognized stock exchange immediately preceding their issue.
- (i) pay to PMPL \$1,500,000 AU (\$1,438,000) in cash or in common shares of the Company with values as follows:
 - (i) \$500,000 AU (\$479,000) within 30 months of Listing; and
 - (ii) \$1,000,000 AU (\$959,000) within 36 months of Listing.
- (j) issue to PMPL shares of the Company with a value of \$600,000 AU (\$575,000) upon Listing (issued);
- (k) from the Listing date, pay PMPL an annual option fee of \$150,000 AU (\$144,000) per year until the second option is completed; and
- (l) meet the exploration expenditure requirements to maintain the licences in good standing for a period of two years after listing on a recognized stock exchange and for a period of 12 months should the Company elect not to exercise the second option. Annual exploration expenditure requirements are approximately K60,000 (\$24,000).

To exercise the second option and earn a further 34% interest in the Keveri Project, the Company must:

- (a) complete 10,000 metres of diamond drilling during the period of the second option; and
- (b) make the following payments in cash or shares of the Company as follows:
 - (i) \$500,000 AU (\$479,000) within 48 months of Listing
 - (ii) \$1,000,000 AU (\$959,000) within 60 months of Listing
 - (iii) \$1,500,000 AU (\$1,438,000) within 72 months of Listing

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

4. Exploration and evaluation expenses (continued)

The Company must pay the applicable ground rent and mineral right fees, which are payable to the Government of Papua New Guinea pursuant to the Prospecting License, and becoming due during the option period. The Company is also obligated to meet PML's statutory and administrative expenses during the option period. These costs are estimated to be approximately \$10,000 annually.

The Project is subject to a 2.0% net smelter royalty ("NSR Royalty") in the Keveri Property, 1/2 of which the Company has the right to purchase (1.0%) at any time for \$1,500,000.

The government of Papua New Guinea holds the right to acquire up to a 30% interest in the licences at any time prior to the commencement of mining by paying to the Company the prorata amount of accumulated exploration expenditures incurred. The government would then further contribute to the development on a prorata basis unless otherwise agreed. They are also entitled to a levy of 0.25% of mine revenue. Two former directors of the Company control PMPL. See Note 8.

5. Equipment

	Computer hardware	Furniture and equipment	Vehicles	Total
	\$	\$	\$	\$
Cost December 31, 2020	19,045	139,813	-	158,858
Additions	-	-	-	-
March 31, 2021	19,045	139,813	-	158,858
Accumulated depreciation				
December 31, 2020	12,832	2,400	-	15,232
Charges for the year	854	6,871	-	7,725
March 31, 2021	13,686	9,271	-	22,957
Net book value				
March 31, 2021	5,359	130,542	-	135,901
Net book value				
December 31, 2020	6,213	137,413	-	143,626

6. Issued Capital

(i) Authorized

Authorized share capital consists of:

- (i) an unlimited number of voting and participating Class A shares without par value; and
- (ii) an unlimited number of non-voting and non-participating Class B shares without par value, redeemable for the amount paid for such shares. No Class B shares are outstanding.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

6. Issued Capital (continued)

(ii) Non-brokered private placements

On March 2, 2020, the Company completed a liquidity event and the special warrants were converted to 5,679,666 Class A shares of the Company.

On May 14, 2020, the Company completed the first tranche of its non-brokered private placement financing. This tranche consisted of the sale of 7,500,000 units at a price of \$0.15 per unit for gross proceeds of \$1,125,000, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.20 per common share until May 14, 2025. The Company paid a finder's fee of \$101,250 in cash and 750,000 non-transferable finder's warrants, with each such finder's warrant entitling the holder thereof to acquire one unit of the Company at a price of \$0.15 per share and one finder's unit warrant. Each finder's unit warrant entitles the holder to purchase one common share at a price of \$0.20 per common share until May 14, 2025.

On July 30, 2020, the Company completed the second tranche of its non-brokered private placement financing. This tranche consisted of the sale of 3,693,343 units at a price of \$0.15 per unit for gross proceeds of \$554,002, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.20 per common share until July 30, 2025. The Company paid a finder's fee of \$49,050 in cash and 363,333 non-transferable finder's warrants, with each such finder's warrant entitling the holder thereof to acquire one unit of the Company at a price of \$0.15 per share and one finder's unit warrant. Each finder's unit warrant entitles the holder to purchase one common share at a price of \$0.20 per common share until July 30, 2025.

On August 27, 2020, the Company completed the third and final tranche of its non-brokered private placement financing. This tranche consisted of the sale of 303,335 units at a price of \$0.15 per unit for gross proceeds of \$45,500, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.20 per common share until August 27, 2025.

On January 4, 2021, the Company completed the non-brokered private placement financing. This tranche of 3,556,666 units at a price of \$0.15 per unit for gross proceeds of \$533,500 is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.20 per common share until January 4, 2026. The Company paid a finder's fee of \$900 in cash and 6,000 non-transferable finder's warrants, with each such warrant entitling the holder thereof to acquire one common share at a price of \$0.15 per share until January 4, 2026.

On February 25, 2021, the Company issued 664,032 Class A common shares with a stated value of \$0.22 per share pursuant to the option on the Keveri property. The value attributed to the shares was based on the twenty day volume-weighted average price prior to this event.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

7. Equity reserves

	No. of options #	Weighted Average Exercise Price \$	Grant Date Fair Value of options \$	No. of warrants #	Weighted Average Exercise Price \$	Grant Date Fair Value of warrants \$	Total Value \$
January 1, 2020	6,869,960	0.18	398,341	5,679,666	0.15	851,950	1,250,291
Granted/Expensed	1,630,035	0.18	145,777	12,610,011	0.15	684,479	830,256
Exercised	-	-	-	(5,679,666)	(0.15)	(851,950)	(851,950)
December 31, 2020	8,499,995	0.18	544,118	12,610,011	0.15	684,479	1,228,597
Granted/Expensed	-	-	33,335	3,562,666	0.16	235,262	268,597
March 31, 2021	8,499,995	0.18	577,453	16,172,677	0.16	919,741	1,497,194

Employee share option plan

The Company has a share option plan to assist the Company in attracting, retaining and motivating directors, key officers, employees and consultants of the Company and to closely align the personal interests of such parties with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Company.

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

7. Equity reserves (continued)

The following share option arrangements were in existence as at March 31, 2021:

Date Granted	Options Granted	Options Exercisable	Exercise Price \$	Expiry Date
October 4, 2018	3,000,000	3,000,000	0.10	October 3, 2022
June 30, 2019	3,154,995	3,154,995	0.25	June 30, 2023
October 21, 2019	714,965	714,965	0.15	October 21, 2023
March 2, 2020	505,035	378,776	0.15	March 2, 2024
October 26, 2020	1,125,000	281,250	0.20	October 26, 2024
	8,499,995	7,529,986	0.18	

The weighted average exercise price of options exercisable at March 31, 2021 was \$0.17 (December 31, 2020 - \$0.17).

The weighted average remaining contractual life of options outstanding at March 31, 2021 is 2.23 years (December 31, 2020 - 2.48 years).

The fair value of share options granted has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield %	Risk-free interest rate %	Expected volatility %	Expected life	Estimated grant date fair value \$	Share price \$
October 4, 2018	0	2.46	135	4 years	117,000	0.051
June 30, 2019	0	2.46	135	4 years	234,000	0.100
October 21, 2019	0	1.61	134	4 years	89,000	0.150
March 2, 2020	0	1.07	134	4 years	62,000	0.150
October 26, 2020	0	1.07	134	4 years	124,429	0.140

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

7. Equity reserves (continued)

The following warrant arrangements were in existence as at March 31, 2021:

Warrants #	Exercise Price \$	Estimated Grant Date Fair Value \$	Expiry Date
7,500,000	0.15	356,381	May 14, 2025
750,000	0.15	85,695	May 14, 2025
3,693,343	0.15	182,180	July 30, 2025
363,333	0.15	42,278	July 30, 2025
303,335	0.15	17,945	August 27, 2025
3,556,666	0.20	234,853	January 4, 2026
6,000	0.15	409	January 4, 2026
16,172,677	0.16	919,741	

The 750,000 expiring May 14, 2025 and 363,333 expiring July 30, 2025, grant the holder to acquire units comprised of one Class A common share at \$0.15 per share and one warrant grants the holder a right to acquire Class A common share at \$0.20.

The weighted average remaining contractual life of warrants outstanding at March 31, 2021 is 4.32 years (December 31, 2020 - 4.44).

The fair value of warrants granted has been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield %	Risk-free interest rate %	Expected volatility %	Expected life	Estimated grant date fair value \$
May 14, 2020	0	0.37	105	5	442,076
July 30, 2020	0	0.31	108	5	224,458
August 27, 2020	0	0.26	108	5	17,945
January 4, 2021	0	0.39	131	5	235,262

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

8. Related party information

The following transactions were entered into with related parties during the periods ended March 31, 2021 and 2020:

	2021	2020
	\$	\$
<hr/>		
With a person related to a director of the Company:		
Rent	3,000	1,500
<hr/>		
With directors of the Company:		
Wages	47,054	46,969
Management fees	43,750	43,750
	90,804	90,719
<hr/>		
With a partnership in which an officer of the Company is a partner:		
Accounting services	41,480	24,062
<hr/>		
With a corporation whose directors are directors of the Company:		
Keveri acquisition payments	-	667,305

Accounts receivable as at March 31, 2021 include amounts owing from a related corporation in the amount of \$nil (March 31, 2020 - \$20,000). The company is related through common management. The amount receivable is unsecured, non-interest bearing and has no fixed terms of repayment.

Accounts payable and accrued liabilities as at March 31, 2021 include amounts owing to directors and officers in the amount of \$16,937 (March 31, 2020 - \$8,624). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On March 2, 2020, the Company completed a liquidity event and the 258,000 special warrants were converted to 258,000 Class A shares of the Company with a value of \$38,700.

During the three months ending March 31, 2021, the Company issued nil (2020 - 505,035) stock options to various directors and officers of the Company.

The remuneration of directors and other members of key management personnel during the periods ended March 31, 2021 and 2020 were as follows:

For the three months ending March 31,	2021	2020
	\$	\$
Short-term benefits	47,054	46,969
Share-based payments	18,801	42,316

Golden Birch Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars unless otherwise noted)

9. Commitments and contingencies

Effective October 1, 2019 the Company amended the consulting agreement with the Company's president to provide for an annual fee of \$175,000. In addition, the president shall receive stock options as determined by the board of directors pursuant to the Company stock option plan.

Effective October 1, 2019 the Company cancelled the consulting agreement with the Company's chief administrative officer and entered into an employment agreement with the chief administrative officer to provide for an annual fee of \$175,000. In addition, the chief administrative officer shall receive stock options as determined by the board of directors pursuant to the Company stock option plan.

Minimum commitments under these contracts total \$350,000 and are due within one year.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. Capital management

The capital of the Company consists of issued capital, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its 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 its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2020 or 2021.