

MOSAIC MINERALS CORP.

**CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021 and March 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)**

MOSAIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current		
Cash	\$ 284,615	\$ 69,262
Sales taxes receivable	15,349	14,523
Prepaid expense	36,547	99,547
Total Current Assets	336,511	183,332
Non-current		
Exploration and evaluation assets (Note 6)	395,000	360,000
Total Assets	\$ 731,511	\$ 543,332
LIABILITIES		
Current Liabilities		
Trade and other payables	\$ 43,788	\$ 49,537
Due to related party (Note 7)	1,228	1,228
Flow through share premium liability (Note 10)	70,800	70,800
Flow through provision (Note 11)	6,955	6,955
Part XII.6 tax payable (Note 11)	1,070	1,070
Total Current Liabilities	123,841	129,590
Total Liabilities	123,841	129,590
Shareholders' Equity		
Share Capital (Note 5)	\$ 1,241,210	\$ 925,210
Deficit	(633,540)	(511,468)
Total Shareholders' Equity	607,670	413,742
Total Liabilities and Shareholders' Equity	\$ 731,511	\$ 543,332

Nature of operations and going concern – Note 1
Contingencies and commitments – Note 10

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on May 26, 2021. They are signed on the Company's behalf by:

"John Cumming"

Director

"Maurice Giroux"

Director

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

MOSAIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF INCOME (LOSS)
AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended:	
	March 31,	March 31,
	2021	2020
Expenses		
Exploration and evaluation expenditures (Note 6)	\$ 12,042	\$ -
Investor relations	63,080	-
Office and administration	3,322	2,336
Transfer agent	13,076	-
Professional fees	11,499	-
Net loss from operations	(103,019)	(2,336)
Other items		
Finance fee	(19,053)	-
Recovery of professional fees	-	21,000
Amortization of flow through premium	-	-
Net Income (Loss) and comprehensive loss for the period	\$ (122,072)	\$ 18,664
Basic And Diluted Loss Per Share	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding	26,091,833	23,708,500

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

MOSAIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
As at March 31, 2021
(Expressed in Canadian Dollars)
(Unaudited)

	SHARE CAPITAL		CONTRIBUTED SURPLUS	DEFICIT	TOTAL EQUITY
	SHARES	AMOUNT			
Balance, December 31, 2018	18,198,250	\$ 654,010	\$ -	\$ (235,219)	\$ 418,791
Shares issued for cash (non flow through)	4,188,000	209,400	-	-	209,400
Shares issued for cash (flow through)	1,416,000	141,600	-	-	141,600
Flow through premium	-	(70,800)	-	-	(70,800)
Share subscriptions cancelled	(93,750)	(5,000)	-	-	(5,000)
Share issue costs	-	(4,000)	-	-	(4,000)
Net loss for the year	-	-	-	(143,096)	(143,096)
Balance, December 31, 2019	23,708,500	\$ 925,210	\$ -	\$ (378,315)	\$ 546,895
Net loss for the year	-	-	-	(133,153)	(133,153)
Balance, December 31, 2020	23,708,500	\$ 925,210	\$ -	\$ (511,468)	\$ 413,742
Shares issued for cash (non flow through)	3,575,000	286,000	-	-	286,000
Shares issued for property	300,000	30,000	-	-	30,000
Net loss for the three months ended March 31, 2021	-	-	-	(122,072)	(122,072)
Balance, March 31, 2021	27,583,500	\$ 1,241,210	\$ -	\$ (633,540)	\$ 607,670

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

MOSAIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended:	
	March 31, 2021	March 31, 2020
Operating Activities		
Net income (loss) for the period	\$ (122,072)	\$ 18,664
Items not involving cash		
Flow through premium recovery	-	-
Other use of cash – finance fees	19,053	-
Changes in operating assets and liabilities		
Sales taxes receivable	(826)	206
Prepaid expense	63,000	-
Trade and other payables	(5,749)	(21,970)
Cash flows used in operating activities	(46,594)	(3,100)
Investing Activities		
Acquisition of Christafy mineral claims	(5,000)	-
Cash flows provided by (used in) investing activities	(5,000)	-
Financing Activities		
Net proceeds from share issuance	266,947	-
Cash flows provided by (used in) financing activities	266,947	-
Net change in cash	215,353	(3,100)
Cash, beginning of the period	69,262	360,419
Cash, end of the period	\$ 284,615	\$ 357,319
Cash paid for interest expense	\$ 0	\$ 0
Cash paid for taxes	\$ 0	\$ 0

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

MOSAIC MINERALS CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Mosaic Minerals Corp. (hereinafter the "Company") was incorporated June 21, 2018 to specialize in exploration of gold mining sites located in Quebec, Canada. The Company is preparing to list its common shares on the CSE venture exchange. The Company was incorporated under the British Columbia *Business Corporations Act* in June 2018 with a registered office and principal place of business at 4908 Pine Crescent, Vancouver, British Columbia, V6M 3P6.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts expensed for exploration and resource property evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

The Company incurred a net loss of \$122,072 for the three months ended March 31, 2021 and had a deficit of \$633,540 to March 31, 2021. At March 31, 2021 the Company had working capital of \$212,670. The Company has no sources of income and relies upon the issuance of shares for financing. These factors may cast significant doubt about the ability of the Company to continue as a going concern.

Plan of Arrangement Spin-Out Share Distribution

On November 7, 2018, Stellar AfricaGold Inc. ("Stellar") signed an arrangement agreement with Mosaic pursuant to which Stellar would distribute 2,000,000 shares of Mosaic Minerals Corp. to Stellar shareholders. The arrangement was completed on February 12, 2020.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2020. They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions deemed significant to provide an understanding of the changes in the Company's financial position and performance since its most recent annual financial statements.

b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The financial statements are presented in Canadian dollars.

MOSAIC MINERALS CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
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3. SIGNIFICANT ACCOUNTING POLICIES

The Company applied the same accounting policies in these condensed interim financial statements as those applied in the Company's annual audited financial statements as at and for the year ended December 31, 2020.

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

4. LOAN PAYABLE

A director of the Company has paid creditors of the Company \$1,228 in expenses on behalf of the Company (\$1,203 at March 31, 2020). This loan is unsecured, has no terms of repayment and does not bear interest.

5. SHARE CAPITAL

i. Authorized

Unlimited number of shares without par value. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meetings of the Company.

ii. Issued during the periods ended March 31, 2021 and 2020

During the three month period ended March 31, 2021 the Company issued 3,575,000 units for gross proceeds of \$286,000. Each unit is comprised of one common share and one two year share purchase warrant exercisable until February 23, 2023 at \$0.15 per share. In addition, 321,000 finder's warrants exercisable at \$0.15 per share for two years were issued.

There were no share issuances during the three month period ended March 31, 2020.

iii. Warrants

The number of outstanding warrants which could be exercised is as follows:

	Number of warrants	Weighted average remaining life (in years)	Expiry date	Exercise price
Outstanding, June 21, 2018	-	-	-	-
June 28, 2018	11,200	-	June 28, 2020	-
June 28, 2018	476,000	-	June 28, 2020	-
Outstanding March 31, 2019	487,200			
November 28, 2019	2,802,000	.67	November 28, 2021	\$ 0.10
Outstanding, March 31, 2020	3,289,200			
Expired	(487,200)	-		
Issued	3,896,000	1.92	February 23, 2023	\$ 0.15
Outstanding, March 31, 2021	6,698,000			

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iv. Stock Options

The Company has no outstanding options as at March 31, 2021 or March 31, 2020.
See also note 11, subsequent events

6. EXPLORATION AND EVALUATION EXPENDITURES

	March 31, 2021	March 31, 2020
EXPLORATION EXPENDITURES		
Geophysics, trenching and sampling	\$ -	\$ -
Geologist and professional fees	12,042	-
General exploration and campsite expenses	-	-
TOTAL EXPLORATION EXPENSES	\$ 12,042	\$ -

Pursuant to a June 28, 2018 sale agreement, amended July 27, 2018, the Company acquired the Opawica mineral property located in Quebec for \$360,000 through the issuance of 7,200,000 shares of Mosaic Minerals Corp. at \$0.05 per share. Mosaic has two directors in common with the property vendor.

The Company acquired the Canalask property, consisting of 16 mining claims located 150 km NNW of Shefferville near Lac Dunphy, Quebec, for staking costs of \$1,864.

The Company acquired the Chrisafy Property, consisting of 27 mineral claims located in the Chibougamau area, Crisafy Township, northern Quebec, for the payment of \$15,000 plus the issuance of 300,000 common shares as follows:

- At closing \$5,000 which has been paid and 300,000 common shares fairly valued at \$30,000, which have been issued
- At three months from closing \$5,000
- At twelve months from closing \$5,000

The property is subject to a 1.5% net smelter royalty which may be purchased at any time for \$500,000.

See also note 11 subsequent events

7. RELATED PARTY TRANSACTIONS

The Company's related parties include Company directors, officers, key management and companies held by key management.

Related party transactions include executive remuneration, shareholder loans to the Company, incentive stock options and interest paid or accrued on shareholder loans and unpaid remuneration.

During the period ended March 31, 2021 the Company held an unsecured, non-interest bearing loan with a director of the Company in the amount of \$1,228 (March 31, 2020: \$1,203). There is no term of repayment and remains outstanding as at March 31, 2021.

During the period ended March 31, 2021 the Company paid \$0 (March 31, 2020: \$0) to an officer and director of the Company for administrative services and paid a director of the Company \$0 (March 31, 2020: \$0) in project management fees.

During the prior period ended March 31, 2020 the Company was reimbursed by a company related by two common directors \$21,000 in legal fees relating to a Plan of Arrangement completed during the period

As at March 31, 2021 amounts due to key management personnel was \$37,982 (March 31, 2020: \$36,173).

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8. CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to owners of the parent.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which proceeds are committed for exploration work.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings.

When financing conditions are not optimal the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the period ended March 31, 2021.

9. FINANCIAL INSTRUMENT RISK DISCLOSURES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarized below. The main risks the Company is exposed to are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The most significant financial risks to which the Company is exposed to are described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2021 the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	March 31, 2021	December 31, 2020
Cash	\$ 284,615	\$ 69,262

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are government agencies or reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount. Over the past period, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties through private and flow-through financings.

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The Company's trade and other payables all contractually mature within three months, except for amounts due to related parties which are payable on demand.

10. CONTINGENCIES AND COMMITMENTS

During the year ended December 31, 2018, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be \$89,350. As at March 31, 2021, the Company had \$nil (2020 - \$10,700) of flow through obligations remaining.

During the year ended December 31, 2019, the Company issued flow-through shares and estimated the value of the flow-through share premium associated with those shares to be \$70,800. As at March 31, 2021, the Company had \$141,600 of flow through obligations remaining. In July 2020, the Canadian Government provided relief with respect to COVID-19 by providing companies with an additional 12 months in which they can spend eligible flow through expenditures and provided interest relief on unspent funds.

The following is a continuity schedule of the deferred premium liability on flow-through share issuances:

Balance June 21, 2018	\$ -
Initial recognition of deferred premium on flow through shares	89,350
Settlement of flow-through share liability on incurring expenditures	(47,771)
Balance at March 31, 2019	\$ 41,579
Initial recognition of deferred premium on flow through shares	70,800
Settlement of flow-through share liability on incurring expenditures	(37,567)
Balance at March 31, 2020	\$ 74,812
Expenditures	(4,012)
Balance at March 31, 2021	\$ 70,800

11. SUBSEQUENT EVENTS

On April 27, 2021 the Company granted 1,000,000 incentive stock options to directors and consultants. The options are exercisable at \$0.10 expiring April 27, 2026.

On May 12, 2021 the Company optioned up to an 80% interest in the Gaboury gold property. To earn the first 60% the Company must issue 3,000,000 shares and complete \$150,000 of exploration expenditures within twelve months and complete a further \$850,000 within thirty six months. To earn the additional 20% interest Mosaic must incur \$500,000 of exploration expenditures per year for the next five years until June 30, 2019 and complete a N143-101 resource estimate including indicated resources. The 3,000,000 shares were issued May 14, 2021.

On May 18, 2021 the Company optioned a 100% interest in the Lichen Base Metals property. To earn the interest the Company must issue 3,000,000 shares and complete \$100,000 of exploration expenditures by May 31, 2022 and a further \$350,000 of exploration expenditures by May 31, 2014. The 3,000,000 shares were issued May 25, 2021.