GT Gold Corp.
Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
***(Expressed in Canadian** dollars)*

Independent Auditor's Report

To the Shareholders and the Board of Directors of
GT Gold Corp.

Opinion

We have audited the consolidated financial statements of GT Gold Corp. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

Other Matter

The financial statements as at and for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 20, 2020.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 IFRS, 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 GAAS 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 GAAS, 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 auditor's report is Cameron Walls.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, BC
April 23, 2021

GTGOLD

Consolidated Statements of Financial Position
As at December 31, 2020 and December 31, 2019
(Expressed in Canadian dollars)

	Note	2020	2019
		$	$
Assets			
Current assets			
Cash and cash equivalents		**11,098,051**	15,314,386
GST receivable		**143,340**	1,100,692
Other receivables		**185,456**	117,837
Prepaids expenses and deposits		**521,952**	379,035
		11,948,799	16,911,950
Reclamation deposits	4	**111,000**	113,263
Exploration and evaluation assets	4	**2,429,494**	2,304,494
Buildings and equipment	5	**619,425**	505,172
Total assets		**15,108,718**	19,834,879
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		**586,817**	749,150
Accrued liabilities		**706,429**	275,500
Flow-through premium liability	6	**1,106,029**	2,919,057
Due to related parties	7	**205,564**	257,247
		2,604,839	4,200,954
Reclamation liability	4	**-**	82,155
Total liabilities		**2,604,839**	4,283,109
Shareholders' equity			
Share capital		**52,731,624**	45,653,144
Share-based payments reserve		**4,264,672**	3,750,862
Deficit		**(44,492,417)**	(33,852,236)
Total shareholders' equity		**12,503,879**	15,551,770
Total liabilities and shareholders' equity		**15,108,718**	19,834,879

Approved on behalf of the Board of Directors on April 23, 2021:

"Ashwath Mehra"	*"Paul Harbidge"*
Ashwath Mehra, Executive Chairman	Paul Harbidge, President, CEO and Director

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

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Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars, except number of shares)

	Note	2020	2019
		$	$
Operating expenses			
Accounting and legal		**346,820**	196,448
Consulting fees		**747,847**	181,230
Depreciation	5	**90,508**	30,882
Directors' fees		**311,250**	203,750
Exploration expenditures	4	**9,005,359**	10,531,230
Filing and transfer fees		**183,770**	80,312
Investor relations and marketing		**314,874**	918,336
Office and miscellaneous		**341,061**	164,425
Salaries and wages		**883,966**	1,036,239
Share-based payments	8	**1,522,880**	2,148,302
Travel		**121,650**	173,574
Reclamation expense		**8,817**	-
		13,878,802	15,664,728
Loss from operations		**(13,878,802)**	(15,664,728)
Other income			
Interest income		**182,540**	50,548
Amortization of flow-through share premium	6	**3,056,081**	4,204,495
Loss and comprehensive loss for the year		**(10,640,181)**	(11,409,685)
Loss per share			
Basic and diluted		**(0.08)**	**(0.10)**
Weighted average number of shares			
Basic and diluted		**126,311,591**	111,824,495

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

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Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

	Note	2020	2019
		$	$
Operating activities			
Net loss for the year		**(10,640,181)**	(11,409,685)
Items not affecting cash:			
Depreciation	**5**	**90,508**	30,882
Share-based payments	**8**	**1,522,880**	2,148,302
Amortization of flow-through share premium	**6**	**(3,056,081)**	(4,204,495)
Accretion expense		**880**	1,761
Reclamation expense	**4**	**8,817**	-
Changes in non-cash working capital:			
GST receivable		**957,352**	(559,219)
Other receivables		**(67,619)**	33,702
Prepaid expenses		**(142,917)**	(236,178)
Trade and other payables		**(160,070)**	592,494
Accrued liabilities		**430,929**	247,375
Due to related parties		**(51,683)**	96,815
Reclamation expenditures	4	**(91,852)**	-
Net cash used in operating activities		**(11,199,037)**	(13,258,246)
Financing activities			
Proceeds from the issuance of common shares	**8**	**1,391,192**	8,252,639
Proceeds from the issuance of flow-through shares	**8**	**4,350,685**	17,579,072
Proceeds from the exercise of options	**8**	**1,606,849**	164,583
Share issuance costs paid in cash	**8**	**(56,263)**	(454,926)
Net cash provided by financing activities		**7,292,463**	25,541,368
Investing activities			
Reclamation deposit		**-**	(18,544)
Acquisition of buildings and equipment	5	**(204,761)**	(508,404)
Acquisition of exploration and evaluation assets	4	**(105,000)**	(105,000)
Net cash used in investing activities		**(309,761)**	(631,948)
Net (decrease) increase in cash		**(4,216,335)**	11,651,174
Cash, beginning of the year		**15,314,386**	3,663,212
Cash, end of the year		**11,098,051**	15,314,386

Supplemental disclosure with respect to cash flows (Note 11)

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

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Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2020 and 2019
(Expressed in Canadian dollars, except number of shares)

	Number of shares	Amount	Share-based payments reserve	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance at December 31, 2018	**104,566,979**	**27,026,919**	**1,749,303**	**(22,442,551)**	**6,333,671**
Issued in private placement (Note 8(b))	6,877,199	8,252,639	-	-	8,252,639
Issued in private placement of flow-through shares (Note 8(b))	11,489,601	17,579,072	-	-	17,579,072
Flow-through premium (Note 6)	-	(7,123,553)	-	-	(7,123,553)
Issued pursuant to the exercise of options (Note 8(c))	499,999	372,993	(146,743)	-	226,250
Share issuance costs (Note 8(b))	-	(454,926)	-	-	(454,926)
Share-based payments (Note 8(c))	-	-	2,148,302	-	2,148,302
Loss and comprehensive loss for the year	-	-	-	(11,409,685)	(11,409,685)
Balance at December 31, 2019	**123,433,778**	**45,653,144**	**3,750,862**	**(33,852,236)**	**15,551,770**
Issued in private placement (Note 8(b))	1,112,954	1,391,192	-	-	1,391,192
Issued in private placement of flow-through shares (Note 8(b))	2,486,106	4,350,685	-	-	4,350,685
Flow-through premium (Note 6)	-	(1,243,053)	-	-	(1,243,053)
Share issuance costs (Note 8(b))	-	(56,263)	-	-	(56,263)
Issued pursuant to the exercise of options (Note 8(c))	3,189,998	2,615,919	(1,009,070)	-	1,606,849
Issued for exploration assets (Note 8(b))	15,000	20,000	-	-	20,000
Share-based payments (Note 8(c))	-	-	1,522,880	-	1,522,880
Loss and comprehensive loss for the year	-	-	-	(10,640,181)	(10,640,181)
Balance at December 31, 2020	**130,237,836**	**52,731,624**	**4,264,672**	**(44,492,417)**	**12,503,879**

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

1) NATURE OF OPERATIONS

GT Gold Corp. ("GT Gold" or the "Company") was incorporated under the Business Corporations Act (British Columbia) ("BCBCA") on September 9, 2013. The head office and principal address of GT Gold is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

The Company is listed on the TSX Venture Exchange and its common shares trade under the symbol GTT.V. The Company's primary business is the acquisition and exploration of mineral properties, with a focus on British Columbia. The Company through its wholly-owned subsidiary, New Chris Minerals Ltd. ("New Chris") owns the mineral concessions comprising the Tatogga Project (Note 4(b)) and the New Nanik Project (Note 4(c)).

In 2020, the global outbreak of coronavirus (COVID-19) resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company's project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company's projects may also impact the Company's ability to perform exploration activities at the projects.

2) BASIS OF PRESENTATION

a) Statement of Compliance and 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. IFRS includes International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee.

These financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These financial statements incorporate the financial statements of the Company and its controlled subsidiary, New Chris. Control exists when the Company has the power, directly or indirectly, to govern the financing and operating policies of an entity so as to obtain benefits from its activities. The financial statements include the accounts of the Company and its subsidiary. Intercompany balances, transactions, income and expenses are eliminated on consolidation. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties in Canada and all of its assets and liabilities are located in Canada.

These financial statements were approved by the Company's Board of Directors on April 23, 2021.

b) Principles of Consolidation

These financial statements include the financial information of the Company and its wholly-owned subsidiary New Chris. All intercompany balances have been eliminated on consolidation.

Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases.

3) SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty.

b) Financial Instruments

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The following financial assets are valued at amortized cost: cash and cash equivalents, GST receivable, other receivables and prepaid expenses and deposits.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at December 31, 2020 and 2019.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. The following financial liabilities are valued at amortized cost: trade and other payables, accrued liabilities, and due to related parties.

c) Exploration and Evaluation Assets – Mineral Properties

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on fair value at issuance, issued for mineral properties pursuant to the terms of the underlying agreement. Exploration expenditures, net of recoveries, are not capitalized but recorded in the consolidated statements of loss and comprehensive loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being capitalized as property and equipment. The Company has no exploration and evaluation assets that have been determined by management to be commercially viable and technically feasible as at December 31, 2020 or 2019.

Option payments to acquire an exploration and evaluation asset made at the sole discretion of the Company under an option agreement, are capitalized at the time of payment.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of mineral properties is dependent on successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

d) Buildings and equipment

Buildings and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of buildings and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write-off the cost of equipment, less their estimated residual value, using the declining balance method at various rates ranging from 10% to 55% per annum. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statements of loss and comprehensive loss.

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment of Non-Financial Assets

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing VIU, 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.

If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets (mineral properties) and property, plant and equipment are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

As at December 31, 2020 and December 31, 2019, there were no indications of impairment for any of the Company's assets.

f) Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on the market value of the shares as of the date of issuance.

g) Share-Based Payments (Stock Options)

The Company has a Stock Option Plan under which it may grant stock options to directors, employees, consultants and service providers.

The Company records a share-based payments expense for all options granted to employees, or to those providing similar services, at the fair value of the equity instruments over the vesting period, with a corresponding increase in share-based payments reserve. Each transfer of an award is considered separately with its own vesting date and grant date fair value. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. For awards with vesting conditions, a forfeiture rate is recognized at the grant date and is adjusted to reflect the number of awards expected to vest. As the options are exercised, the consideration paid, together with the amount previously recognized in share-based payments reserve, is recorded as an increase in share capital. The initial fair values of options that expire unexercised remain in share-based payments reserve.

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

For equity-settled share-based payments to non-employees, the Company measures the value of the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received. If the fair value cannot be estimated reliably, then the Company would use the Black-Scholes option pricing model. The Company has no cash-settled share-based payment transactions.

h) Flow-Through Common Shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses ("CEE"), are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized through the statement of loss as the eligible expenditures are incurred.

i) Reclamation Deposits

The Company maintains cash deposits, or letters of credit secured by cash deposits, as required by regulatory bodies as assurance for the funding of reclamation costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled.

j) Income Taxes

Income tax reported in the consolidated statement of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or, substantively enacted, at the reporting date and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Earnings (Loss) per Share

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

l) Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

m) Segment Reporting

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties in Canada. All of the Company's assets are located in Canada.

n) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income 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 estimates are revised and in any future periods affected.

Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Estimated Useful Lives of Buildings and Equipment

The estimated useful lives of buildings and equipment, which are included in the consolidated statements of financial position, will impact the amount and timing of the related amortization included in profit or loss.

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-Based Payments (Stock Options)

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Economic recoverability and probability of future economic benefits of Exploration and evaluation assets

Management has determined that the acquisition of Exploration and evaluation assets and related costs incurred, which have been recognized on the consolidated statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

Indications of impairment of assets

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

o) Recent accounting pronouncements

There are no recently adopted or pending accounting pronouncements that are expected to have a material impact on the Company's financial statements.

(In Canadian dollars, except where noted)

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation asset acquisition costs:

	Tatogga	New Nanik	Total
	$	$	$
Balance at December 31, 2018	1,161,994	1,037,500	2,199,494
Additions – cash	105,000	-	105,000
Balance at December 31, 2019	1,266,994	1,037,500	2,304,494
Additions – cash	105,000	-	105,000
Additions – common shares	20,000	-	20,000
Balance at December 31, 2020	**1,391,994**	**1,037,500**	**2,429,494**

a) Reclamation Deposits

As at December 31, 2020, the Company has a total of $111,000 (December 31, 2019 - $113,263) in reclamation deposits held pursuant to a Safekeeping Agreement with the Province of British Columbia.

b) Tatogga Property, British Columbia

The Company (through New Chris) entered into an option agreement dated June 13, 2011, and as amended March 25, 2014, June 10, 2016 and October 18, 2016, with Richard Billingsley, Gaye Richards and 0886260 B.C. Ltd. (collectively, the “Optionors A”). The Optionors A granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims situated in the Red Chris (Iskut) region of northwestern British Columbia now known as the “Tatogga South Block” and encompassing the Saddle South gold-silver discovery, Saddle North copper-gold discovery and Pass Gossan prospect. As at December 31, 2020, in order to keep the option in good standing, the Company is required to make remaining staged cash payments to the Optionors A as follows:

- $25,000 on signing (paid);
- $50,000 on November 22, 2016 (paid);
- $50,000 on November 22, 2017 (paid);
- $100,000 on November 22, 2018 (paid);
- $100,000 on November 22, 2019 (paid); and
- $100,000 on November 22, 2020 (paid October 14, 2020).

The Optionors A retain a 2% NSR royalty on all future production from the Tatogga South Block claims, but pursuant to the option agreement, the Company has the sole and exclusive right to purchase 1% of the NSR royalty for $1,500,000 within five years from the date that the Tatogga property attains commercial production.

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

On November 28, 2017, the Company entered into an option agreement with Edward Asp (the "Optionor"). The Optionor granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of additional mineral claims contiguous to the Tatogga Lake Property known as the "Gun" claims. As at December 31, 2020, the Company has made all required cash payments to the Optionor as follows:

- $7,500 on November 28, 2017 (paid);
- $5,000 on November 28, 2018 (paid);
- $5,000 on November 28, 2019 (paid); and
- $5,000 on November 28, 2020 (paid).

In addition to the cash consideration, the Company was required to issue 5,000 common shares to the Optionor in three separate tranches. 15,000 common shares have been issued to the Optionor to fulfill this requirement.

The Optionor retains a 2% NSR royalty on all future production from the claims, but pursuant to the option agreement, the Company has the sole and exclusive option to repurchase the NSR royalty for a price of $250,000 at any time.

As at December 31, 2019, the Company had a reclamation liability relating to the Tatogga property of $82,155. During the year ended December 31, 2020, the Company moved its camp equipment to its Bear Paw property and fulfilled its reclamation obligations. Total reclamation expenditures were $91,852, or $8,817 more than its recorded liability including accretion to the date of reclamation.

c) New Nanik Property, British Columbia

The Company (through New Chris) entered into an option agreement dated April 24, 2012, and as amended March 20, 2014, June 1, 2016, June 10, 2016 and October 18, 2016, with Richard Billingsley and Gaye Richards (collectively, the "Optionors B"). The Optionors B granted the Company the sole and exclusive right and option to acquire a 100% undivided interest in a series of mineral claims known as the New Nanik property, situated in west-central British Columbia approximately 100 kilometres southeast of Terrace.

The Company was required to make staged cash payments totalling $225,000 to the Optionors B in connection with the option agreement. On April 19, 2018, the Company met the option requirements and assumed 100% legal title to the New Nanik property. In connection with the agreement the Company will be required to pay to the Optionors B a 2% NSR royalty on all future production from the New Nanik claims.

(In Canadian dollars, except where noted)

4) EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

The following table provides a summary of exploration and evaluation expenditure costs for the years ended December 31, 2020 and 2019:

	2020	2019
	$	$
Tatogga Property		
Camp costs	**2,936,090**	2,164,619
Drilling expenditures	**1,254,750**	3,518,103
Assaying	**746,383**	1,702,569
Geochemical	**168,636**	48,454
Geophysics	**-**	305,580
Study costs	**1,711,087**	-
Environmental and permitting	**107,450**	159,636
Geological consulting	**736,982**	533,900
Metallurgy	**125,197**	67,339
Aircraft rental	**1,004,668**	1,448,015
Miscellaneous	**212,985**	568,170
Total Tatogga Property	**9,004,228**	10,516,385
New Nanik Property		
Geochemical	**-**	2,471
Assaying	**-**	2,585
Claims staking and maintenance	**1,131**	-
Aircraft	**-**	9,789
Total New Nanik Property	**1,131**	14,845
Total Expenditures	**9,005,359**	10,531,230

(In Canadian dollars, except where noted)

5) BUILDINGS AND EQUIPMENT

	Computer hardware	Field equipment	Tank and fuel equipment	Buildings	Total
	$	$	$	$	$
Cost					
Balance at December 31, 2018	15,091	16,922	25,821	-	57,834
Additions	-	-	-	508,404	508,404
Balance at December 31, 2019	**15,091**	**16,922**	**25,821**	**508,404**	**566,238**
Additions	100,277	48,332	15,125	41,027	204,761
Balance at December 31, 2020	**115,368**	**65,254**	**40,946**	**549,431**	**770,999**
Accumulated depreciation					
Balance at December 31, 2018	10,222	12,586	7,375	-	30,184
Additions	2,176	804	3,422	24,481	30,882
Balance at December 31, 2019	12,398	13,390	10,797	24,481	61,066
Additions	32,012	6,458	4,603	47,435	90,508
Balance at December 31, 2020	**44,410**	**19,848**	**15,400**	**71,916**	**151,574**
Net book value					
December 31, 2019	2,693	3,532	15,024	483,923	505,172
December 31, 2020	**70,958**	**45,406**	**25,546**	**477,515**	**619,425**

Buildings includes land with a value of $36,000 (December 31, 2019, $36,000) which is not subject to depreciation.

6) FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On May 29, 2019, the Company completed a strategic financing (Note 8(b)) for gross proceeds of $17,579,072 through the issuance of 11,489,601 flow-through common shares priced at $1.53 per flow-through common share. The flow-through shares were issued at a premium of $0.62 per share.

On December 4, 2020, the Company completed a private placement (Note 8(b)) for gross proceeds of $4,350,685 through the issuance of 2,486,106 flow-through common shares priced at $1.75 per flow-through common share. The flow-through shares were issued at a premium of $0.50 per share.

As at December 31, 2020, the Company has expended $18,058,673 of the funds from the flow-through offerings and therefore has a flow-through share premium liability of $1,106,029 (December 31, 2019 - $2,919,057).

(In Canadian dollars, except where noted)

6) FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)

Below is a summary of the flow-through financing and the related flow-through share premium liability:

	Shares issued	Flow-through share price $	Premium per flow-through share $	Flow-through premium liability $
May 29, 2019	11,489,601	1.53	0.62	7,123,553
December 4, 2020	2,486,106	1.75	0.50	1,243,053

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and expenditure requirements $	Flow-through premium liability $
Balance at December 31, 2018	**-**	**-**
Flow-through funds raised	17,579,090	7,123,553
Flow-through eligible expenditures	(10,375,610)	(4,204,496)
Balance at December 31, 2019	**7,203,480**	**2,919,057**
Flow-through funds raised	4,350,686	1,243,053
Flow-through eligible expenditures	(7,683,064)	(3,056,081)
Balance at December 31, 2020	**3,871,102**	**1,106,029**

7) RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Company incurred $1,033,632 (2019 – $2,076,986) of exploration expenditures with CJ Greig & Associates Ltd. ("CJ Greig"), a related party that is not a subsidiary of the Company. The Company uses CJ Greig, a company controlled by its Vice President, Exploration, for field and office work for its exploration activities.

As at December 31, 2020, the balance owing to CJ Greig was $205,564 (December 31, 2019 - $257,247), including an accrued bonus of $45,000 (2019 - $45,000).

(In Canadian dollars, except where noted)

7) RELATED PARTY TRANSACTIONS (continued)

The remuneration of directors and other members of key management personnel during the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
	$	$
Directors' fees	**311,250**	203,750
Salaries	**917,665**	678,876
Consulting fees	**-**	51,000
Share-based payments	**1,440,923**	1,905,890
	2,669,838	2,839,516

8) SHARE CAPITAL

a) Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Share Issuances

During the year ended December 31, 2020, the Company had the following share transactions:

- On December 4, 2020, the Company closed a $5,741,878 non-brokered private placement financing. The financing consisted of a $4,350,685 private placement of 2,486,106 flow-through common shares (Note 6) priced at $1.75 per flow-through common share and a $1,391,192 private placement of 1,112,954 common shares priced at $1.25 per non-flow-through common share. Pursuant to the financing, Newmont Corporation ("Newmont") acquired 1,006,106 common shares. Upon completion of the offering, Newmont owned 14.9% of the Company's outstanding shares. In connection with the financing, the Company paid share issuance costs totaling $56,263.
- Issued 3,189,998 common shares for gross proceeds of $1,606,849 in connection with the exercise of stock options.
- Issued 15,000 common shares with a value of $20,000 for exploration and evaluation assets.

During the year ended December 31, 2019, the Company had the following share transactions:

- On May 29, 2019, the Company announced it had closed a $17,579,072 financing and strategic investment by Newmont. The financing consisted of a $17,590,072 private placement of 11,489,601 flow-through common shares (Note 6) priced at $1.53 per flow-through common share. Pursuant to the financing, Newmont agreed to acquire 11,489,601 common shares. Upon completion of the offering, Newmont owned 9.9% of the Company's outstanding shares. In connection with the financing, the Company paid share issuance costs totaling $374,297.

(In Canadian dollars, except where noted)

8) SHARE CAPITAL (continued)

- On December 12, 2019, the Company announced it had closed a $8,252,639 financing and strategic investment by Newmont. The financing consisted of a private placement of 6,877,199 common shares priced at $1.20 per share for total consideration of $8,252,639. Upon completion of the offering, Newmont owned 14.9% of the Company's outstanding shares. In connection with the financing, the Company paid share issuance costs totaling $80,629.
- Issued 499,999 common shares for gross proceeds of $226,250 in connection with the exercise of stock options.

c) Stock Options

The Company has a Stock Option Plan (the "Plan") under which directors, employees and consultants are eligible to receive stock option grants. Under the Plan, granted options are exercisable over periods up to 10 years as determined by the Board of Directors. The maximum number of outstanding options under the plan is limited to 10% of the number of issued and outstanding common shares.

The exercise price of each option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Exchange. Currently, the Exchange requires that the exercise price of options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Plan at the time of grant subject to the policies of the Exchange.

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	$
Balance at December 31, 2018	8,296,667	0.53
Granted	4,620,000	0.99
Exercised	(499,999)	0.45
Expired	(110,000)	1.14
Cancelled	(346,667)	1.26
Balance at December 31, 2019	11,960,001	0.68
Granted	1,502,384	1.35
Exercised	(3,189,998)	0.50
Cancelled	(191,668)	1.02
Balance at December 31, 2020	**10,080,719**	**0.84**

(In Canadian dollars, except where noted)

8) SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable at December 31, 2020 is presented below:

Expiry date	Exercise prices	Options outstanding	Options exercisable
	$	#	#
November 10, 2021	0.15 – 0.30	2,500,000	2,500,000
January 26, 2023	0.60 – 0.80	1,130,000	1,130,000
June 13, 2023	0.86 – 1.06	900,000	900,000
March 19, 2024	0.74 – 0.94	1,498,335	929,997
August 30, 2024	1.19 – 1.39	1,200,000	800,000
October 7, 2024	0.92 – 1.12	450,000	150,000
October 11, 2024	0.86 – 1.06	600,000	200,000
November 1, 2024	0.73	300,000	100,000
February 10, 2025	1.35	1,119,384	-
May 6, 2025	1.40	39,000	-
December 16, 2025	1.35	300,000	-
September 28, 2025	1.35	44,000	-
		10,080,719	**6,709,997**

The weighted average remaining contractual life of options outstanding is 2.72 years.

During the year ended December 31, 2020, the Company granted a total of 1,502,384 stock options (2019 – 4,620,000) with a total fair value of $2,983,569 (2019 – 4,620,000 options with a total fair value of $2,983,569). The weighted average assumptions used in the Black-Scholes option pricing model were as follows:

	2020	2019
Expected life	**5.00 years**	5.00 years
Expected volatility	**65%**	97.8%
Risk-free rate	**1.19%**	1.84%
Dividend yield	**Nil**	Nil
Forfeiture rate	**3%**	Nil

During the years ended December 31, 2020 and 2019, the Company recorded $1,522,880 and $2,148,302, respectively of share-based payment expense relating to vesting of stock options.

d) Loss per share

All the outstanding share options at December 31, 2020 and 2019 were anti-dilutive for the periods then ended as the Company was in a loss position.

9) CAPITAL MANAGEMENT

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company does not expect to enter into debt financing arrangements. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new common shares for cash proceeds. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at December 31, 2020 is comprised of shareholders' equity of $12,503,879 (December 31, 2019 - $15,551,770).

The Company currently has no source of revenues. To fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its exploration and evaluation assets and its ability to borrow or raise additional financing from equity markets.

10) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

a) Credit Risk

The Company's primary exposure to credit risk is potential liquidity constraints on cash and cash equivalents amounting to $11,098,051 at December 31, 2020 (December 31, 2019 - $15,314,386). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

b) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its financial institution. The Company is not currently exposed to any material interest rate risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

d) Market and Currency Risk

The Company's financial instruments consist of cash and cash equivalents, GST and other receivables, deposits, trade and other payables, accrued liabilities and due to related parties. It is not exposed to a material degree of currency risk because it has few transactions in foreign currencies and does not have foreign mineral properties. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

10) FINANCIAL INSTRUMENT RISKS (continued)

e) Fair Value of Financial Instruments

The recorded amounts of cash and cash equivalents, GST and other receivables, deposits, trade and other payables, accrued liabilities and due to related parties approximate their respective fair values due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

During the years ended December 31, 2020 and 2019, the Company had no assets classified as level 1, level 2, or level 3.

11) SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's cash and cash equivalents as at December 31, 2020 comprises $1,754,051 of cash and $9,344,000 of cash equivalents (December 31, 2019, $10,308,895 and $5,005,491, respectively).

During the year ended December 31, 2020, the Company had the following non-cash transactions:

- The Company reclassified $1,009,070 from the share-based payment reserve to share capital in connection with stock options exercised.
- The Company issued common shares with a fair value of $20,000 for exploration and evaluation assets.

During the year ended December 31, 2020, the Company had the following non-cash transactions:

- The Company reclassified $146,743 from the share-based payment reserve to share capital in connection with stock options exercised.

(In Canadian dollars, except where noted)

12) INCOME TAXES

The provision for income tax differs from the amount that would have been expected if the reported earnings had been subject to the Canadian statutory income tax rate of 27% (2019 - 27%).

	2020	2019
	$	$
Net loss for the year	**(10,640,181)**	**(11,409,685)**
Expected income tax recovery based on statutory rates	**(2,873,000)**	**(3,081,000)**
Change in statutory, foreign tax, foreign exchange rates and other	**209,000**	**1,000**
Permanent differences	**(450,000)**	**(776,000)**
Impact of flow-through shares	**2,137,000**	**2,770,000**
Share issue costs	**(15,000)**	**(123,000)**
Adjustment to prior years return versus statutory returns	**36,000**	**(42,000)**
Change in unrecognized deductible temporary differences	**956,000**	**1,251,000**
Income tax expense (recovery)	-	-

The components of the Company's unrecognized deferred tax assets are as follows:

	2020	2019
	$	$
Deferred Tax Assets:		
Exploration and evaluation assets	**1,656,000**	1,736,000
Equipment	**27,000**	14,000
Share issue costs	**199,000**	289,000
Decommissioning liability	**(22,000)**	22,000
Non-capital losses available for future periods	**3,050,000**	1,944,000
	4,910,000	4,005,000
Less: unrecognized deferred tax assets	**(4,910,000)**	(4,005,000)
Deferred income tax asset	-	-

The Company has non-capital losses, for which deductions against future taxable income are uncertain, of approximately $11.3 million (2019 - $7.2 million) which, if not utilized, will expire over 2029 through 2040.

13) SUBSEQUENT EVENTS

On March 10, 2021, the Company and Newmont Corporation (NYSE: NEM, TSX: NGT) ("Newmont") announced that they entered into a binding agreement (the "Arrangement Agreement"), pursuant to which Newmont agrees to acquire all of the outstanding shares of the Company that Newmont does not already own (the "Transaction") for C$3.25 (the "Transaction Price") per share in cash. Prior to the binding agreement, Newmont already held 14.9% of the Company's shares. The total equity value pursuant to the Transaction is approximately $456 million on a fully diluted basis. The Transaction Price represents a premium of 38% to the 20-day volume-weighted average price of the Company's shares on the TSX-V as at March 9, 2021. The transaction is expected to close in the second quarter of 2021, subject to meeting normal closing conditions.