VAL-D'OR MINING CORPORATION

Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Val-d'Or Mining Corporation:

Opinion

We have audited the financial statements of Val-d'Or Mining Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of net loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at December 31, 2019, the Company had an accumulated deficit of $4,732,230. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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 Anand Beejan.

Montréal, Québec

MNP SENCRL, srl [1]

April 23, 2020

[1] CPA auditor, CA, public accountancy permit no. A126822

VAL-D'OR MINING CORPORATION

Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes		As at December 31, 2019		As at December 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents	6	$	**30,366**	$	627,208
Investments	7		**727,653**		-
Tax credit receivable	9		**93,336**		-
Assets held for sale	7		**-**		3,268
Sales taxes recoverable			**10,802**		44,988
Due from related parties	16		**43,463**		-
Other assets	8		**45,524**		21,287
			951,144		696,751
Non-current assets					
Exploration and evaluation assets	9		**173,435**		1,083,535
Royalty interests	9		**8,378**		-
Right-of-use assets	4		**4,865**		-
TOTAL ASSETS		$	**1,137,822**	$	1,780,286
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	**83,768**	$	27,584
Lease liabilities	4		**2,008**		-
Due to related parties	16		**-**		2,885
			85,776		30,469
Non-current liabilities					
Lease liabilities	4		**2,356**		-
Total liabilities			**88,132**		30,469
EQUITY					
Share capital	10		**4,625,750**		3,733,656
Shares to be issued	10		**-**		416,667
Contributed surplus			**503,296**		462,772
Warrants	11		**652,874**		701,336
Deficit			**(4,732,230)**		(3,564,614)
Total equity			**1,049,690**		1,749,817
TOTAL LIABILITIES AND EQUITY		$	**1,137,822**	$	1,780,286

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Dr. C. Jens Zinke"*
(signed Glenn J. Mullan)	(signed C. Jens Zinke)
Director	Director

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Net loss and Comprehensive loss

(Expressed in Canadian Dollars)

	Notes		For the year ended December 31, 2019		2018
Operating expenses					
Impairment of exploration and evaluation assets	9	**$**	**1,341,629**	$	16,262
Office expenses			**80,096**		59,440
Consulting fees	16		**71,925**		80,608
Audit and accounting fees			**71,030**		57,348
Salaries and other employee benefits			**65,181**		53,108
Legal fees			**47,264**		40,548
Travel and entertainment			**44,126**		48,777
Exploration and evaluation expenses			**40,262**		2,562
Share-based payments	12		**28,763**		207,816
Regulatory and transfer agent fees			**16,845**		37,461
Amortization of rights of use assets			**1,946**		-
Operating loss			**1,809,067**		603,930
Other expenses (income)					
Gain on sale of of mineral properties	7		**(644,219)**		-
Interest income			**(279)**		(37)
Interest expense			**3,047**		2,966
Foreign exchange loss			**-**		33
			(641,451)		2,962
Net loss and total comprehensive loss for the year		**$**	**1,167,616**	**$**	606,892
Basic and diluted net loss per common share	13	**$**	**0.028**	**$**	0.018
Weighted average number of common shares outstanding			**41,994,968**		34,156,280

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Notes	Share capital Number		Share capital		Contributed Surplus		Warrants		Deficit		Total
Balance as at January 1, 2019		**36,340,977**	**$**	**3,733,656**	**$**	**462,772**	**$**	**701,336**	**$**	**(3,564,614)**	**$**	**1,333,150**
Issuance of shares for grant of mining option	9	**8,333,334**		**666,667**		**-**		**-**		**-**		**666,667**
Issuance of shares on exercise of stock options	10	**95,699**		**12,196**		**(5,215)**		**-**		**-**		**6,981**
Issuance of shares on exercise of share purchase warrants	10	**1,938,461**		**213,231**		**-**		**(48,462)**		**-**		**164,769**
Share-based payments	12	**-**		**-**		**45,739**		**-**		**-**		**45,739**
Share issue expenses		**-**		**-**		**-**		**-**		**-**		**-**
Net loss and comprehensive loss for the year										**(1,167,616)**		**(1,167,616)**
Balance as at December 31, 2019		**46,708,471**	**$**	**4,625,750**	**$**	**503,296**	**$**	**652,874**	**$**	**(4,732,230)**	**$**	**1,049,690**

		Share capital Number		Share capital		Contributed Surplus		Warrants		Deficit		Total
Balance as at January 1, 2018		33,150,655	$	3,499,139	$	158,071	$	609,030	$	(2,957,722)	$	1,308,518
Issuance of shares on exercise of stock options		15,000		1,673		(698)		-		-		975
Issuance of shares on settlement of debt		857,142		90,000		-		-		-		90,000
Issuance of shares under a private placement		2,318,180		162,694				92,306				255,000
Share issue expenses		-		(19,850)		-		-		-		(19,850)
Share-based payments	12	-		-		305,399		-		-		305,399
Net loss and comprehensive loss for the year		-		-		-		-		(606,892)		(606,892)
Balance as at December 31, 2018		36,340,977	$	3,733,656	$	462,772	$	701,336	$	(3,564,614)	$	1,333,150

The accompanying notes are an integral part of the financial statements.

VAL-D'OR MINING CORPORATION

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Notes	For the year ended December 31, 2019	2018
OPERATING ACTIVITIES			
Net loss for the year		$ **(1,167,616)**	$ (606,892)
Adjustments:			
Gain on sale of of mineral properties		**(644,219)**	-
Share-based payment	12	**28,763**	207,816
Impairment of exploration and evaluation assets		**1,341,629**	16,262
Finance costs		**320**	-
Amortization of rights-of-use asset		**1,946**	-
		(439,177)	(382,814)
Change in non-cash working capital items			
Sales taxes recoverable		**34,186**	(30,843)
Due to related parties, net		**(46,348)**	(235)
Other assets		**(24,237)**	(16,093)
Accounts payable and accrued liabilities		**56,184**	11,688
		19,785	(35,483)
Cashflows used by operating activities		**(419,392)**	(418,297)
INVESTING ACTIVITIES			
Additions to exploration and evaluation assets	9	**(348,079)**	(560,721)
Tax credits received		**1,647**	14,134
Cashflows used by investing activities		**(346,432)**	(546,587)
FINANCING ACTIVITIES			
Issuance of shares on exercise of stock options	12	**6,981**	975
Issuance of shares from exercise of warrants	11	**164,769**	-
Repayment of lease liabilities		**(2,768)**	-
Issuance of shares under a private placement		**-**	255,000
Share issue expenses		**-**	(19,850)
Cashflows from financing activities		**168,982**	236,125
Decrease in cash		**(596,842)**	(728,759)
Cash and cash equivalents, beginning of year		**627,208**	1,355,967
Cash and cash equivalents, end of year		$ **30,366**	$ 627,208

The accompanying notes are an integral part of the financial statements.

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-d'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company’s shares trades on the TSX Venture Exchange (“TSX-V”) under its trading symbol “VZZ”.

As at December 31, 2019, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 37.15 % (2018 - $24.82%) interest in the Company.

The Board of Directors approved the audited financial statements for issue on April 23, 2020.

2) GOING CONCERN

These financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (“IASB”) and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at December 31, 2019, the Company has an accumulated deficit of $4,732,230 (2018 - $3,564,614).

These material uncertainties may cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IAS 1 "Presentation of Financial Statements" ("IAS 1")

IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

As of January 1, 2020, the Company has adopted IAS 1 and has concluded that, based on its current operations, the adoption of IAS 1 had no significant impact on the Company's financial statements.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8")

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

As of January 1, 2020, the Company has adopted IAS 8 and has concluded that, based on its current operations, the adoption of IAS 8 had no significant impact on the Company's financial statements.

(Expressed in Canadian dollars unless otherwise noted)

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and evaluation of financial statements

The financial statements are prepared using the significant accounting policies described in the present note. These methods have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on a historical cost basis

b) Accounting standards issued and in effect during the year

IFRS 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019.

The Company applied IFRS 16 on January 1, 2019 and selected the modified retrospective transition approach which does not require restatement of comparative periods, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules were therefore recognized on the opening balance sheet on January 1, 2019. On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases, which had previously been classified as "operating leases" under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate of 5% implicit in the lease as at January 1, 2019.

The following table reconciled the differences between the operating lease commitments as at December 31, 2018 and lease liabilities recognized on January 1, 2019:

Reconciliation		
Operating lease commitments as at December 31, 2018	$	9,691
Discounted using the interest rate implicit in the lease		(2,880)
Lease liabilties recognized as at January 1, 2019	$	6,811

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized on the Statement of Financial Position as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16, "Leases" ("IFRS 16") (continued)

The recognized right-of-use assets relate to the following types of assets:

		As at December 31, 2019		As at January 1, 2019
Equipment	$	**6,811**	$	6,811
Amortization of lease equipment		**(1,946)**		-
	$	**4,865**	$	6,811

In applying IFRS 16 for the first time, the Company used the practical expedients permitted by the standard relating the Company's lease office space whereby the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the financial statements.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas nonmonetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses are translated at the exchange rate in effect at the transaction date. Expenses settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of net loss and comprehensive loss.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors. The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. All its exploration and evaluation assets are located in Canada.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and demand deposit, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of exploration and evaluation costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

h) Classification of investments as subsidiaries, joint ventures, associated company and portfolio investments

Classification of investments requires judgement as to whether the Company controls, has joint control of or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

i) Exploration and evaluation expenditures and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in the statements of net loss and comprehensive loss when they are incurred.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Exploration and evaluation expenditures and exploration and evaluation assets (continued)

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expense is recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in the statements of net loss and comprehensive loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in the statements of net loss and comprehensive loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Title to property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.
To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Impairment of exploration and evaluation assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Exploration and evaluation expenditures and exploration and evaluation assets (continued)

Impairment of exploration and evaluation assets (continued)

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

a) the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
b) no further exploration or evaluation expenditures in the areas are planned or budgeted;
c) no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
d) sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in the statements of net loss and comprehensive loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount, as long as 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 units in prior year.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash or the shares consideration received directly from the acquirer is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in the statements of net loss and comprehensive loss.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Royalty interest

Royalty interest consists of acquired net smelter returns on exploration and evaluation stage properties. Royalty interests for exploration and evaluation assets are recorded at cost and capitalized in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources" ("IFRS 6"). Acquisition costs of exploration and evaluation royalty interests are capitalized and are not depleted until such time as revenue generating activities begin. Royalty interests for exploration and evaluation assets are assessed for impairment in accordance with IFRS 6 and are measured for any impairment in accordance with IAS 36 "Impairment of Assets" ("IAS 36").

k) Provisions

Provisions are recognized when present legal or constructive obligations as a result of a past event will lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when: (a) there is constructive commitment that has resulted from past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) the amount of the obligation can be measured with sufficient reliability. No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. At December 31, 2019 and 2018, there is no provision in the statement of financial position.

l) Income taxes

Tax expense recognized in the statements of net loss and comprehensive loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Income taxes (continued)

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from the statements of net loss and comprehensive loss in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as deferred tax expense in the statements of net loss and comprehensive loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive loss or equity, respectively.

m) Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the transaction.

Unit placements

The Company has adopted a residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of warrants using the Black-Scholes valuation model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Equity (continued)

Other elements of equity

Contributed surplus includes charges related to stock options until such are exercised.

Warrants include fair values allocated to the warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to deficit.

Deficit includes all current and prior period retained profits and losses. Deficit also includes charges related to warrants and stock options expired.

Equity-settled share-based payments

The Company operates an equity-settled share-based payments plan for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in the statements of net loss and comprehensive loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus or Share capital, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to Contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting.

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Equity (continued)

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

n) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period.

Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

o) Financial Instruments

Classification

Financial Assets/Liabilities	Classification
Cash and cash equivalents	Financial Asset at amortized cost
Investments	FVTPL
Due from related parties	Financial Asset at amortized cost
Accounts payable and accrued liabilities	Financial Liabilities at amortized cost
Due to related parties	Financial Liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Financial Instruments (continued)

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment for a financial asset.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss) in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

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 Company measures the loss allowance for the financial asset 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 Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. Given the Company transacts exclusively with large international financial institutions, companies related by common management, government agencies and other organizations with strong credit ratings and the negligible historical level of dividends default, the loss allowance was $nil as at December 31, 2019.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Corporation's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 2 for further information.

Determination of significant influence over equity investments:

Judgment is needed to assess whether the Company's equity interest in private companies meets the definition of significant influence and therefore would be accounted for under the equity method as opposed to fair value through profit and loss. Management makes this determination based on its legal ownership interest, board representation and through an analysis of the Company's participation in entities' policy making process.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statements of net loss and comprehensive loss in the period when the new information becomes available.

Estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value measurement and disclosure

The Company's financial assets that are measured at fair value on a recurring basis include investments in private companies. The Company also discloses the fair value of other financial instruments not measured at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For investments in private companies, the fair value was estimated based on the history of capital raises of the investee and on the company information. Provisions recognized on recoverability of investments in private companies are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future business conditions in the private companies could require a material change in the recognized amount.

(Expressed in Canadian dollars unless otherwise noted)

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Capitalization of administrative and other general overheads

A percentage of administrative and other general overheads is allocated and capitalized as part of the cost of Exploration and Evaluation assets. The percentage allocation represents the Company's best estimate of indirect costs applicable to the exploration and evaluation activities of the Company. These estimates may not necessarily be indicative of future actual patterns.

Warrants

Estimating fair value for warrant requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the warrants. The fair value of warrants is evaluated using the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the expected volatility, and expected life of warrants. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the warrants. The expected life of the warrant is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Fair value of stock options

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the volatility, the probable life of stock options granted and the time of exercise of those stock options. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the stock options. The expected life of the stock options is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

6) CASH AND CASH EQUIVALENT

		As at December 31, 2019		As at December 31, 2018
Cash	$	**366**	$	597,208
Demand deposits		**30,000**		30,000
	$	**30,366**	$	627,208

The deposit was due on demand, bore interest at 1.65% per annum and matured on February 5, 2020.

(Expressed in Canadian dollars unless otherwise noted)

7) INVESTMENTS

At December 31, 2019, the Company held investments in the common shares of two private companies:

	Number of shares		As at December 31, 2019		As at December 31, 2018
Progenitor Metals Corp.[a]	4,276,526	$	**427,653**	$	-
Juno Corp.[b]	1,500,000		**300,000**		-
		$	**727,653**	$	-

a) Sale of Horne North Prospects

On December 16, 2019, the Company entered into a mineral claim sale agreement for ten exploration properties, which are located in the Abitibi Greenstone Belt of NW Québec.

The properties are prospective for both precious and base metals commodities and encompass areas located proximate to the Destor-Porcupine Fault Zone, the Larder-Cadillac Fault Zone and several untested geophysical features deemed of interest due to the calc-alkaline host rocks and general proximity to Rouyn-Noranda.

The ten properties, collectively referred to as "Horne North Prospects", were recently acquired by the Company from Golden Valley pursuant to an Amended Mining Option Agreement, as part of a larger property package. The purchaser for this transaction is privately-owned Progenitor Metals Corp. ("Progenitor Metals").

In consideration for 100% of the Horne North Prospects, the Company received 5,345,657 shares in the capital of Progenitor Metals at a deemed value of $0.20 per share, for an aggregate deemed consideration of $1,069,131. The payment shares will be split between Val-d'Or Mining and Golden Valley Mines, whereby Val-d'Or Mining will retain 80% of the aggregate consideration (4,276,526 shares (or $855,305)) and Golden Valley will receive 20% of the consideration (1,069,131 shares (or $213,826)) pursuant to the terms of the recently amended Mining Option Agreement.

The purchaser has covenanted to enter into a "going public" transaction within 21 months from the closing date of the transaction, which closed on March 31, 2020. In the event that the purchaser has not entered into such a transaction within the specified time period, the properties will revert back to the Company and the Company will return to the purchaser 50% of the consideration received under the purchase agreement.

The proceeds of 4,276,526 shares in Progenitor Metals have been recorded at $427,653, representing the assigned and fair value of $855,305 (or $0.20 per share), net of a provision of $427,652 to reflect the Company potentially returning to the purchaser 50% of the share consideration received as discussed above. Consequently, the Company recognized a gain on sale of $355,716 on disposal of Horne North Prospects with a carrying value of $71,937.

(Expressed in Canadian dollars unless otherwise noted)

7) INVESTMENTS (continued)

a) Sale of Horne North Prospects (continued)

As at December 31, 2019, the Company determined that the net carrying value of $427,653, representing $855,305 (or $0.20 per share) of the 4,276,526 shares in Progenitor Metals less the provision of $427,652 discussed above, approximates its fair value.

As at December 31, 2018, the carrying value of the Horne North Prospects amounting to $3,268 has been reclassified from Exploration and Evaluation Assets to Assets held for Sale.

b) Sale of Luc Bourdon Prospect

On December 12, 2019, the Company entered into an agreement with respect to the sale of its Luc Bourdon property, which is located in the McFaulds Lake Area in the James Bay region of northern Ontario. The purchaser of the property is privately-owned Juno Corp. ("Juno").

In consideration for a 100% interest in the property, the Company received 1,500,000 shares, at an assigned value of $300,000 in the share capital of Juno, and the Company will be granted a royalty of 1.5%, with an assigned value of $8,378, of the net smelter returns from the property.

The Company recognized a gain on sale of $288,503 from the proceeds of 1,500,000 shares in Juno, with an assigned value of $300,000 (or $0.20 per share).

As at December 31, 2019, the Company determined that the carrying value of $300,000 of the 1,500,000 shares in Juno approximates its fair value.

8) OTHER ASSETS

	As at December 31, 2019	As at December 31, 2018
Deposits [(a)]	$ **17,500**	$ -
Advances [(b)]	**14,709**	7,500
Prepaid expenses	**11,624**	11,580
Other	**1,691**	2,207
	$ **45,524**	$ 21,287

a) Deposits of $17,500 are held with Ministère de l'Énergie et des Ressources Naturelles for claims staking and management on corporate owned properties.

b) Advances of $14,709 include an amount of $11,604 held with one of the Company's suppliers for geophysics services.

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by prospects:

Prospect	As at January 1, 2018	Net Additions	Held for Sale	Credits	Impairment	As at December 31, 2018	Net Additions	Impairment	Credits	Disposal	As at December 31, 2019
Prospects optioned from Golden Valley (a)											
Exploration expenditures											
Province of Québec	$ 16,000	591,239	(3,268)	-	(161)	$ 603,810	219,050	(545,894)	(105,076)	(68,669)	$ 103,221
Province of Ontario	8,767	25,786	-	-	-	34,553	89,199	(109,972)	-	-	13,780
	24,767	617,025	(3,268)	-	(161)	638,363	308,249	(655,866)	(105,076)	(68,669)	117,001
Shares issued to Golden Valley Mines	-	416,667	-	-	-	416,667	250,000 -	666,667	-	-	-
	$ 24,767	1,033,692	(3,268)	-	(161)	$ 1,055,030	558,249	(1,322,533)	(105,076)	(68,669)	$ 117,001
Boston Bulldog (b)	-	-	-	-	-	-	-	-	-	-	-
Shoot-out (c)	-	19,096	-	-	-	19,096	-	(19,096)	-	-	-
Fortin (d)	-	-	-	-	-	-	-	-	-	-	-
Other	17,462	11,579	-	(3,531)	(16,101)	9,409	66,899	-		(19,874)	56,434
	$ 42,229	1,064,367	(3,268)	(3,531)	(16,262)	$ 1,083,535	625,148	(1,341,629)	(105,076)	(88,543)	$ 173,435

a) Abitibi Greenstone Belt Prospect - Québec and Ontario

Amended Mining Option Agreement and Exercise of Option with Golden Valley

On April 18, 2017, the Company signed a Mining Option Agreement ("Option") with Golden Valley to acquire a 100% interest in 61 grassroots properties in the Abitibi Greenstone Belt Prospect. Pursuant to the terms of the Option, the Company must incur $4,000,000 of expenditures with respect to exploration and other mining operations on the properties before December 31, 2021 (with $500,000 to be incurred on or before December 31, 2018, $750,000 to be incurred on or before the December 31, 2019, $1,000,000 to be incurred on or before December 31, 2020, and $1,750,000 to be incurred on or before December 31, 2021). As consideration for the Option, the Company will issue 16,666,668 common shares to Golden Valley at a deemed price of $0.12 per share for an aggregate deemed value of $2,000,000 (issuable as to 4,166,667 common shares on or before each of December 31, 2018, 2019, 2020 and 2021).

In addition, the Company has granted Golden Valley a royalty equal to 1.25% of the net smelter returns ("NSRs") from the 61 properties on the terms set out in the option agreement of which 1% may be bought back by the Company by paying Golden Valley $5,000,000, at the Company's option, in cash or shares at a deemed price per share equal to the market price of the Company's shares at the time of such election. If the Company has issued the common shares and incurred the expenditures provided for in the option agreement, it may exercise the option on or before December 31, 2021.

9) EXPLORATION AND EVALUATION ASSETS (continued)

Amended Mining Option Agreement and Exercise of Option with Golden Valley (continued)

For the year ended 2018, the Company has incurred exploration and evaluation expenditures of $616,864 which exceeded its obligation to incur $500,000 of expenditures on or before December 31, 2018 as required under the Option Agreement. As the Company continued the earn-in process on the 61 properties optioned from Golden Valley, the Company issued on January 22, 2019 a total of 4,166,667 of its common shares, valued at $416,667, to Golden Valley in accordance with the Option Agreement.

On November 28, 2019, the Option agreement was amended to document, among other things, a waiver of expenditure requirements required in order to maintain the option, acceleration of vesting of the option as well as changes to the buyback provisions of the royalty on Net Smelter Returns granted to the Company. In accordance with the terms of the Amended Mining Option Agreement, the Company has agreed to issue to Golden Valley an aggregate 16,666,668 common shares of the Company, issuable as to 25% on each of December 31, 2018 (done), December 31, 2019 (done), June 30, 2020 and December 31, 2020.

The properties are subject to a royalty in favour of Golden Valley equal to 1.25% of net smelter returns, which is subject to certain partial buyback provisions. Golden Valley will also receive 20% of the proceeds of all third-party transactions pertaining to the properties that Val-d'Or Mining enters into and announces on or before December 31, 2022.

On December 5, 2019, the Company announced that it has exercised its option to acquire a 100% interest in the properties in accordance with the terms of the amended and restated mining option agreement between the Company and Golden Valley dated November 28, 2019.

On December 10, 2019, the Company issued 4,166,667 common shares valued at $250,000 in accordance with the Amended Mining Option Agreement.

b) Boston Bulldog Prospect - Kirkland Lake, Ontario

On February 16, 2015, the Company entered into a Mining Option Agreement, amended on March 6, 2015, March 24, 2017, January 19, 2018 and March 5, 2019, pursuant to which it has been granted by 2973090 Canada Inc., a Canadian private company wholly-owned and controlled by the president and director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty. In consideration of the grant of the option, the Company paid 2973090 Canada Inc. a sum of $5,000 in cash to cover the cost of staking the property and issued 300,000 common shares (issued in April 2015). To maintain and exercise the option, the Company must keep the property in good standing and incur minimum mining operations expenditures of $50,000 by April 7, 2021. In accordance with the terms of the option, the Company has the right to reduce the royalty from 3% to 2% of the NSR by paying 2973090 Canada Inc. $1,000,000 at any time on or before February 16, 2022. This prospect was impaired as the Company was not planning any work in the near future.

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

c) Shoot-Out Prospects - Nunavik region of Northern Québec

The Shoot-Out Prospect is the combination of two properties, East Shoot-Out and West Shoot-Out, and is located southwest of Glencore's Raglan Mine. The Company has a 100% ownership interest in this property consisting of 182 contiguous mining claim cells. The East Shoot-Out and West Shoot prospects are subject to a 3% NSR in favor of the original vendors, one of which is a director and President of the Company. This prospect was impaired as the Company was not planning any work in the near future.

d) Fortin Prospect - Abitibi, Québec

The Fortin Prospect is located in the central part of Ducros Township, approximatively 80 kilometres northeast of the City of Val-d'Or, Québec, and consists of 5 contiguous mining claims. The Company holds a 100% interest in this property that is subject to a 1.5% NSR in favour of the original vendors. The Company retains the right to buyback the NSR at any time with a 0.5% buyback for $500,000 and 1% buyback for $1,000,000. This prospect was impaired in 2013.

Exploration and Evaluation assets by expenditures

The following table presents a summary of exploration and evaluation assets by expenditures:

	As at December 31, 2018	Additions	Impairment	Credits	Disposal	As at December 31, 2019
Claims Staking	$ 1,236,267	47,709	-	-	-	**$ 1,283,976**
Claim Maintenance	121,938	3,057	-	-	-	**124,995**
Technical and Field staff	75,490	127,873	-	-	-	**203,363**
Reporting	7,073	3,299	-	-	-	**10,372**
Geophysics	103,724	803	-	(10,093)	-	**94,434**
Airborne Geophysical Surveys	390,461	-	-	-	-	**390,461**
Remote Sensing Studies	5,600	27,100	-	-	-	**32,700**
Sampling & Testing	1,150	304	-	-	-	**1,454**
Program management/consultant	122,270	33,018	-	-	-	**155,288**
Transportation Travel and Camp	595	201	-	-	-	**796**
Exploration Software	6,180	2,325	-	-	-	**8,505**
Aboriginal Consultation	1,116	1,770	-	-	-	**2,886**
General and Administration	47,512	22,425	-	-	-	**69,937**
Geology	130,270	84,288	-	-	-	**214,558**
Prospecting	33,931	4,000	-	-	-	**37,931**
Shares issued for option agreement	416,667	250,000	(666,667)	-	-	**-**
Share-based payment	-	16,976	-	-	-	**16,976**
Government assistance	(140,757)	-	-	(94,983)	-	**(235,740)**
Disposal (note 7)	(3,268)	-	-	-	(88,543)	**(91,811)**
Impairment	(1,472,684)	-	(674,962)	-	-	**(2,147,646)**
	$ 1,083,535	625,148	(1,341,629)	(105,076)	(88,543)	**$ 173,435**

9) EXPLORATION AND EVALUATION ASSETS (continued)

Impairment of Exploration and evaluation assets

For the year ended December 31, 2019, the Company recognized an impairment charge of $1,341,629 on Exploration and evaluation assets after undertaking a comprehensive review of its properties in light of the objective of advancing and enhancing a limited number of key properties as well as the significant capital required in order to fund its operating commitments as the Company has no revenues and is reliant upon equity financing to fund all of its requirements.

Tax credit receivable

The Company has recognized a receivable of $93,336 (2018: $nil) in government tax credits, which has applied against the exploration and evaluation costs to which it relates.

10) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

2019 transaction on share capital

Issuance of shares for grant of mining option

For the year ended December 31, 2019, the Company issued a total 8,333,334 of its common shares with a total value of $666,667 as required under the Option Agreement (note 9(a)), with 4,166,667 common shares being issued on January 22, 2019 valued at $416,667 and with 4,166,667 common shares being issued on December 10, 2019 valued at $250,000.

Incentive stock option

For the year ended December 31, 2019, the Company issued 95,699 of its common shares for a total consideration of $6,981 from the exercise of stock options at prices of $0.065 per share (45,000 shares) and $0.08 per share (50,699 shares) (note 12).

Share capital to be issued from exercise of share purchase warrants

On March 28, 2019, the Company issued 1,938,461 of its common shares pursuant to the exercise of 1,938,461 share purchase warrants for a total consideration of $164,769 (note 11).

10) EQUITY (continued)

2018 transactions on share capital

Incentive stock option

On March 15, 2018, a total of 15,000 stock options were exercised at a price of $0.065 per share for total proceeds of $975.

Issuance of shares on settlement of debt

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley, pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in-house legal counsel for day to day general enquiries, services of a consultant and investors relations services to the Company in consideration of $96,000 per year, payable on a monthly basis, plus applicable taxes. However, Golden Valley suspended the management fees of Val-d'Or Mining in 2012 to enable the Company to conserve cash for operations.

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which the Company agreed to terminate the Management Agreement, in exchange of a settlement fee of $60,000 payable by the Company as consideration for its failure to pay the management fees since the date of suspension of the Management Agreement. On April 6, 2018, the Company announced that, subject to acceptance by the TSX Venture Exchange ("Exchange") and with the intent of preserving its cash resources for operations, it proposed issuing approximately 857,142 common shares at a deemed per share price of $0.105 in settlement of an aggregate of $90,000 in accrued debt owing to Golden Valley. Of the aforementioned debt to Golden Valley, $30,000 is an outstanding loan and $60,000 relates to consideration payable under the terms of a termination agreement entered into effective January 1, 2018. On April 30, 2018, the Exchange accepted the shares for debt submission.

Private placement

On October 18, 2018, the Company closed a non-brokered private placement pursuant to which it has issued 2,318,180 units at a price of $0.11 per unit for gross proceeds of $255,000. Each unit consists of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, entitling the purchase of one common share at a per share price of $0.15 until October 18, 2021. The fair value of the 1,159,090 warrants was estimated at $0.0796 using the Black-Scholes valuation model with the following assumptions: an expected volatility of 134.09%, a risk-free interest rate of 2.33%, an expected unit life of 3 years, no expected dividend yield and a share price at date of grant of $0.11. As a result, the warrants were valued at $92,306 and deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

(Expressed in Canadian dollars unless otherwise noted)

11) WARRANTS

The following table shows the changes in warrants:

	For the year ended December 31, 2019			For the year ended December 31, 2018		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	**14,517,751**	**$**	**0.120**	13,358,661	$	0.12
Issued	**-**		**-**	1,159,090		0.15
Exercised	**(1,938,461)**		**0.085**	-		-
Expired	**(2,640,200)**		**0.085**	-		-
Outstanding, end of year	**9,939,090**	**$**	**0.140**	14,517,751	$	0.12

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	As at December 31, 2019			As at December 31, 2018		
Expiration date	Number of outstanding warrants		Exercise price	Number of outstanding warrants		Exercise price
March 30, 2019	**-**	**$**	**-**	4,578,661	$	0.085
November 30, 2020	**1,380,000**		**0.10**	1,380,000		0.10
November 30, 2020	**7,400,000**		**0.15**	7,400,000		0.15
October 18, 2021	**1,159,090**		**0.15**	1,159,090		0.15
	9,939,090	**$**	**0.14**	14,517,751	$	0.12

12) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but would not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it would be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported.

(Expressed in Canadian dollars unless otherwise noted)

12) SHARE-BASED PAYMENTS (continued)

Stock option plan (continued)

The vesting period of the options would be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock options for the years ended December 31, 2019 and 2018 is presented as follows:

	For the year ended December 31, 2019			For the year ended December 31, 2018		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Outstanding, beginning of year	**3,630,097**	**$**	**0.104**	565,000	$	0.070
Granted	**722,263**		**0.075**	3,110,097		0.105
Exercised	**(95,699)**		**0.070**	(15,000)		0.065
Forfeited	**(100,000)**		**0.105**	(30,000)		0.070
Outstanding, end of year	**4,156,661**	**$**	**0.096**	3,630,097	$	0.104

Incentive Stock Options granted in 2019

On June 17, 2019, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 722,263 common shares at an exercise price of $0.075 per share. The options are exercisable for a period of 5 years until June 17, 2024. All options are exercisable immediately.

The fair value of the 722,263 stock options has been estimated on the date of issue at $45,739, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.075; expected dividend yield: nil; expected volatility: 125.29%; risk-free interest rate: 1.34%; expected life: 5 years and exercise price at the date of grant: $0.075 per share.

For the year ended December 31, 2019, an amount of $28,763 has been expensed as share-based payments in the statement of net loss and comprehensive loss and of $16,976 has been capitalized to Exploration and Evaluation Assets.

(Expressed in Canadian dollars unless otherwise noted)

12) SHARE-BASED PAYMENTS (continued)

Stock option plan (continued)

Incentive Stock Options granted in 2018

On February 5, 2018, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 2,600,000 common shares at an exercise price of $0.105 per share. The options are exercisable for a period of 5 years until February 5, 2023. All options are exercisable immediately. The fair value of the 2,600,000 stock options has been estimated on the date of issue at $256,925, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.11; expected dividend yield: nil; expected volatility: 166.95%; risk-free interest rate: 2.03%; expected life: 5 years and exercise price at the date of grant: $0.105 per share. For the year ended December 31, 2018, an amount of $165,519 has been expensed and $91,406 has been capitalized to exploration and evaluation assets, respectively.

On October 24, 2018, the Company granted to its directors, officers, and consultants incentive stock options entitling the purchase of an aggregate 510,097 common shares at an exercise price of $0.11 per share. The options are exercisable for a period of 5 years until October 24, 2023. All options are exercisable immediately. The fair value of the 510,097 stock options has been estimated on the date of issue at $48,474, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.11; expected dividend yield: nil; expected volatility: 146.79%; risk-free interest rate: 2.36%; expected life: 5 years and exercise price at the date of grant: $0.11 per share. For the year ended December 31, 2018, an amount of $42,297 has been expensed and $6,177 has been capitalized to exploration and evaluation assets, respectively.

The expected volatility used above in the assumptions was determined by reference to historical data of the Company's shares over the expected average life of the stock options. No special features inherent to the stock options granted were incorporated into measurement of fair value.

As at December 31, 2019, the number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiration date	Number of options		Exercise price
May 16, 2021	424,301	$	0.065
February 5, 2023	2,500,000		0.105
October 24, 2023	510,097		0.110
June 17, 2024	722,263		0.075
	4,156,661	$	0.096

(Expressed in Canadian dollars unless otherwise noted)

12) SHARE-BASED PAYMENTS (continued)

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares.

No restricted shares units were issued for the years ended December 31, 2019 and 2018.

13) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the years ended December 31, 2019 and 2018 as follows:

	For the year ended December 31	
	2019	2018
Net loss for the year	$ **1,167,616**	$ 606,892
Weighted average number of common shares - Basic	**41,994,968**	34,156,280
Dilutive effect of stock options and warrants	**-**	-
Weighted average number of common shares - Diluted	**41,994,968**	34,156,280
Basic loss per share	$ **0.028**	$ 0.018
Diluted loss per share	**0.028**	0.018

For the years ended December 31, 2019 and 2018, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

(Expressed in Canadian dollars unless otherwise noted)

14) INCOME TAXES

Major components of tax expense (recovery)

The major components of tax expense (income) for the years ended December 31, 2019 and 2018 are outlined below:

		2019		2018
Current tax expense (recovery)	$	-	$	-
Deferred tax expense (recovery)				
Origination and reversal of temporary differences		**(242,473)**		(108,271)
Deferred tax expense arising from the write-down of a deferred tax asset		**242,473**		108,271
	$	-	$	-
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined income tax rate in Canada and the reported tax expense in the statements of net loss and comprehensive loss can be reconciled as follows:

		2019		2018
Loss before income taxes	**$**	**(1,167,616)**	$	(606,892)
Expected tax expense (recovery) calculated using the combined Federal and Provincial income tax rate in Canada of 26.60% (26.70% in 2018):		**(310,586)**		(162,040)
Non-deductible portion of capital losses		**57,092**		-
Impact of change in tax rates		**692**		1,715
Share-based payments		**11,267**		55,487
Non-deductible expenses and other		**(938)**		(3,433)
Tax benefit not recognized		**242,473**		108,271
Deferred tax expense (recovery)	**$**	**-**	$	-

The statutory tax rate for 2019 and 2018 were 26.60% and 26.70%, respectively. The Québec general corporate tax rate will decrease at an annual rate of 0.10% per year from 11.70% to 11.50% beginning January 1 of each year from 2018 to 2020.

(Expressed in Canadian dollars unless otherwise noted)

14) INCOME TAXES (continued)

Unrecognized deferred tax assets and liabilities

As at December 31, 2019 and 2018, the Company has the following deductible temporary differences for which no deferred tax has been recognized:

	2019		2018	
	Federal	**Provincial**	Federal	Provincial
Share issuance cost	$ **191,990**	$ **191,990**	$ 290,320	$ 290,320
Exploration and evaluation assets	**715,480**	**715,480**	412,371	412,371
Investments	**427,653**	**427,653**		
Non-capital losses	**1,812,676**	**1,797,254**	1,313,986	1,303,875
	$ **3,147,799**	$ **3,132,377**	$ 2,016,677	$ 2,006,566

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered. At December 31, 2019, deferred tax assets totalling $766,642 ($531,620 at December 31, 2018) have not been recognized

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	Federal	Provincial
2030	$ 486	$ 486
2031	76,270	76,270
2032	108,228	108,008
2033	61,553	61,553
2034	120,084	119,440
2035	91,040	89,579
2036	76,899	76,882
2037	308,575	308,550
2038	470,851	463,108
2039	498,690	493,378
	$ 1,812,676	$ 1,797,254

The Company has investment tax credits carryover of $23,295 ($23,295 in 2018) that expire between 2031and 2033, which are available to reduce income taxes payable in future years.

(Expressed in Canadian dollars unless otherwise noted)

15) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions excluded in the Statements of Cash Flows for the years ended December 31, 2019 and 2018 are as follows:

		2019		2018
Accounts payable and accrued liabilities included in exploration and evaluation assets	**$**	**-**	$	(10,960)
Additions to Exploration and evaluation assets thru share issuance		**250,000**		416,667
Tax credits deducted from exploration and evaluation assets		**93,336**		-
Issuance of common shares on settlement of debt		**-**		90,000

16) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

For the year ended December 31, 2019, Golden Valley recharged claim renewal fees and administrative expenses to the Company for a total amount of $73,737 (2018 - $107,304), of which $42,003 (2018 - $63,988) was capitalized as Exploration and Evaluation assets and the remaining $31,734 (2018 - $43,316) was recorded in the statements of net loss and comprehensive loss.

For the year ended December 31, 2019, the Company incurred consultant fees of $24,000 (2018 - $12,000) from Golden Valley relating to the services of the Company's CFO.

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of $60,000. As described in note 9, this amount, including the promissory note of $30,000, has been settled through the issuance of common shares.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at December 31, 2019, the Company had net receivable of $8,400 (December 31, 2018 – payable of $529) due from Golden Valley.

b) Transactions with key management

Key management personnel of the Company is comprised of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

For the year ended December 31, 2019, the Company incurred fees of $96,000 (2018 - $96,000) with the COO of which $54,000 (2018 - $72,000) was capitalized as Exploration and Evaluation asset and $42,000 (2018 - $24,000) was recorded under consulting fees in the statements of net loss and comprehensive loss. As at December 31, 2019, the amount of $14,400 is due to the COO and is included in due from related parties.

16) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management (continued)

Moreover, for the year ended December 31, 2019, consulting fees of $48,000 (2018 - $nil), of which $24,000 was capitalized as Exploration and Evaluation asset and $24,000 was recorded under consulting fees in the statements of net loss and comprehensive loss, was recharged to International Prospect Ventures Ltd, an entity that has common key management personnel with the Company, for the services provided by the Company's COO.

For the year ended December 31, 2019, the Company incurred fees of $103,773 (2018 - $64,049) with the VP Exploration. These fees were recorded under Exploration and Evaluation asset. As at December 31, 2019, the amount of $18,969 (2018 - $11,641) is due to the VP Exploration.

For the year ended December 31, 2018, the Company incurred fees of $17,200 with the former CFO of the Company. These fees are recorded under audit and accounting fees in the statements of net loss and comprehensive loss. As at December 31, 2018, no amount is due to the former CFO.

For the year ended December 31, 2019, the Company granted stock options to key management personnel to purchase an aggregate 547,263 common shares of the Company. The Company recorded a stock-based compensation of $34,657 as part of this transaction.

For the year ended December 31, 2018, the Company granted stock options to key management personnel to purchase an aggregate 2,585,097 common shares of the Company. The Company recorded a share-based compensation of $253,615 as part of this transaction.

c) Transactions with related parties

For the year ended December 31, 2019, the Company incurred fees of $42,000 (2018 -$38,000) with an individual, the spouse of the President, as part of a consulting agreement for corporate finance and advisory services. These fees were recorded under consulting fees in the statements of net loss and comprehensive loss.

For the year ended December 31, 2019, the Company incurred rent and occupancy fees of $12,000 (2018 - $12,000) with a company controlled by the President of which $6,750 was recorded under Exploration and Evaluation asset and $5,250 was recorded in the statements of net loss and comprehensive loss.

For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at December 31, 2019, the Company had a net receivable balance of $43,463 (December 31, 2018 – payable of $2,885) due from related parties of which $8,400 (December 31, 2018 – payable of $529) was due from Golden Valley, $36,411 (December 31, 2018 – payable of $1,042) due from companies related by common management, net payable of $1,348 (December 31, 2018 – payable of $1,314) due from a company controlled by the President.

17) COMMITMENTS

a) The Company entered into a corporate finance and advisory services consulting agreement, with a related party, the spouse of the President, expiring February 5, 2020, which will require total payments of $84,000. For the year ended December 31, 2019, the Company incurred fees of $42,000 (2018 - $38,000) relating to this agreement.

b) The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which will require total lease payments of $11,768. The minimum lease payments for the next years are $2,769 in 2020 and 2021 and $1,384 in 2022.

c) On April 7, 2020, the Company amended its Option Agreement on the Boston Bulldog Prospect to extend the deadline to incur minimum exploration and evaluation expenditures of $50,000 to April 7, 2021.

d) The Company has the following share payment commitments in connection with its Option Agreement with Golden Valley: 4,166,667 common shares on June 30, 2020 and 4,166,667 common shares on December 31, 2020 (note 9).

e) The Company has also entered into a consulting agreement with the VP Exploration for an annual payment of $66,950. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.

18) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

(Expressed in Canadian dollars unless otherwise noted)

18) FINANCIAL ASSETS AND LIABILITIES (continued)

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There have been no significant transfers between Levels 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

	2019		2018	
Financial assets	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	30,366	30,366	627,208	627,208
Investments	727,653	727,653	-	-
Due from related parties	43,463	43,463	-	-
	$ 801,482	$ 801,482	$ 627,208	$ 627,208

	2019		2018	
Financial liabilities	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable and accrued liabilities	$ 83,768	$ 83,768	$ 27,584	$ 27,584
Due to related party	-	-	2,885	2,885
	$ 83,768	$ 83,768	$ 30,469	$ 30,469

Categories of financial assets and liabilities

The carrying value of cash and cash equivalents, due from related parties, accounts payable and accrued liabilities and due to related party is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. As at December 31, 2019, the Company classified cash and cash equivalents as Level 1, and amounts due from/to related parties and other payables as Level 3.

The Company's investments, consisting of investments in the common shares of two private companies, do not have a quoted market price in an active market and the Company has assessed a fair value of the investment based on their unobservable net assets. As a result, the fair value is classified within Level 3 of the fair value hierarchy. The process of estimating the fair value of these investments is based on inherent measurement uncertainties and is based on techniques and assumptions that emphasize both qualitative and quantitative information. There is no reasonable quantitative basis to estimate the potential effect of changing the assumptions to reasonably possible alternative assumptions on the estimated fair value of these investments.

19) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. 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 the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve.

The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 10 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

20) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk, market risk and liquidity risk. The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash of $30,366 at December 31, 2019 (2018 - $627,208) and of the due from related parties of $43,463 as at December 31, 2109 (2018 - $nil). The risk related to cash is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent. The risk related to amounts due from related parties is mitigated by having common management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to fluctuations in the market prices of its investments in private companies. The fair value of those instruments represents the maximum exposure to price risk.

20) FINANCIAL RISKS (continued)

Liquidity risk

Liquidity risk is the risk that the Company 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 potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations. Accounts payable and accrued liabilities are due within less than 90 days. The Company's cash significantly exceed the current cash outflow requirements.

21) SUBSEQUENT EVENTS

Sale of Powell Prospect

On February 18, 2020, the Company announced the sale of its Powell Prospect, which is located in the Matachewan gold camp of the Abitibi Greenstone Belt region of Ontario. The purchaser of the property is Sparton Resources Inc. ("Sparton"). In consideration for a 100% interest in the property the Company will receive 1,000,000 shares in the share capital of Sparton, and the Company will retain a 2% net smelter royalty from the respective property. 50% of the 2% net smelter royalty (1%) may be purchased by Sparton at any time after the acquisition of the claims for US$2.5 million.

Non-brokered private placement

On March 9, 2020, the Company announced that it will conduct a non-brokered private placement offering pursuant to which it will issue up to 5,333,333 Units at a per Unit price of $0.075 for gross proceeds of up to $400,000. Each Unit will consist of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling the purchase of one common share at a per share price of $0.10 for 24 months from the date of issuance of the securities. The offering is subject to acceptance by the TSX Venture Exchange. Finder's fees in amounts to be determined may be payable to persons who introduce the Company to subscribers to the offering.

The proceeds raised from this offering will be used by the Company to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Québec, and for general corporate purposes. All securities issued will be subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

21) SUBSEQUENT EVENTS (continued)

Update on COVID-19

Pursuant to the order, as announced by the Government of Québec on March 23, 2020, to close all non-essential businesses to address the COVID-19 pandemic, mining operations have been directed to minimize their activities until April 13, 2020. Similarly, the Government of Ontario has ordered mandatory closure of all non-essential workplaces, starting March 25, 2020, which closure will be in effect for 14 days with the possibility of extending this order.

Following these orders from the Governments of Québec and Ontario in response to the COVID-19 pandemic, the Company has suspended, until further notice, its exploration activities and field operations in both provinces for the health and safety of the Company's workforce and its exploration partners. Corporate activity will be limited to the Company continuing work on other commitments under existing third-party agreements and seeking further property transactions. At this time, it is unknown the extent of the impact the COVID-19 pandemic may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place.

On April 3, 2020, the Government of Ontario announced to extend the closure of all non-essential businesses to address the COVID-19 pandemic for another 14 days.

Similarly, on April 5, 2020, the Government of Québec announced to extend the closure of all non-essential businesses to address the COVID-19 pandemic from April 13, 2020 to May 4, 2020.

22) COMPRATIVE FIGURES

Comparative figures have been reclassified to conform with current year's presentation.