



VAL-D'OR MINING CORPORATION

Condensed Interim Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(unaudited)

(Expressed in Canadian Dollars)

VAL-D'OR MINING CORPORATION

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Financial Position
(unaudited)
(Expressed in Canadian Dollars)

	Notes	As at September 30, 2020	As at December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	6	\$ 535,946	\$ 47,866
Investments	7	70,000	-
Tax credit receivable		72,414	93,336
Sales taxes recoverable		29,709	10,802
Due from related parties	16	13,589	43,463
Other assets	8	21,410	28,024
		743,068	223,491
Non-current assets			
Exploration and evaluation assets	9	204,207	173,435
Investments	7	727,653	727,653
Royalty interests	9	8,464	8,378
Right-of-use assets		3,405	4,865
TOTAL ASSETS		\$ 1,686,797	\$ 1,137,822
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 17,982	\$ 83,768
Flow-through premium liability	11	157,322	-
Lease liabilities		1,730	2,008
		177,034	85,776
Non-current liabilities			
Loan	10	40,000	-
Lease liabilities		1,089	2,356
Total liabilities		218,123	88,132
EQUITY			
Share capital	11	5,838,626	4,625,750
Contributed surplus		674,319	503,296
Warrants	12	784,374	652,874
Deficit		(5,828,645)	(4,732,230)
Total equity		1,468,674	1,049,690
TOTAL LIABILITIES AND EQUITY		\$ 1,686,797	\$ 1,137,822

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"
(signed Glenn J. Mullan)
Director

"Frank Mariage"
(signed Frank Mariage)
Director

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Net loss and Comprehensive loss

(unaudited)

(Expressed in Canadian Dollars)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2020	2019	2020	2019
Operating expenses					
Mining option payment	11	\$ -	\$ -	\$ 750,000	\$ -
Share-based payments	13	-	-	171,023	28,763
Consulting fees	16	29,625	19,125	84,625	58,800
Salaries and other employee benefits		14,315	5,719	63,507	36,334
Exploration and evaluation expenses		16,291	-	61,254	-
Office expenses		11,120	25,618	44,587	61,741
Legal fees		12,637	8,421	32,134	33,862
Audit and accounting fees		6,238	6,937	29,029	48,455
Regulatory and transfer agent fees		6,705	5,265	24,548	13,628
Impairment (recovery) of exploration and evaluation assets	9	507	-	(16,267)	23,072
Travel and entertainment		2,491	11,664	3,680	35,680
Amortization of rights of use assets		486	486	1,459	1,459
Operating loss		100,415	83,235	1,249,579	341,794
Other expenses (income)					
Mining tax credit		(63,368)	-	(84,531)	-
Unrealized gain on investment		(10,000)	-	(45,000)	-
Gain on sale of mineral properties	7	-	-	(25,086)	-
Other income		-	(24,000)	-	(24,000)
Interest income		-	-	(904)	(282)
Interest expense		1,152	918	2,357	2,170
		(72,216)	(23,082)	(153,164)	(22,112)
Net loss and total comprehensive loss for the period		\$ (28,199)	\$ (60,153)	\$ (1,096,415)	\$ (319,682)
Basic and diluted net loss per common share	14	\$ (0.000)	\$ (0.001)	\$ (0.021)	\$ (0.008)
Weighted average number of common shares outstanding		58,217,383	42,498,605	51,806,354	41,498,244

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Changes in Equity

(unaudited)

(Expressed in Canadian Dollars)

		Share capital		Contributed	Warrants	Deficit	Total
		Number		Surplus			
Balance as at January 1, 2020		46,708,471	\$ 4,625,750	\$ 503,296	\$ 652,874	\$ (4,732,230)	\$ 1,049,690
Issuance of units under a private placement	11	5,333,332	290,048	-	109,952	-	400,000
Issuance of shares for grant of mining option	11	4,166,667	750,000	-	-	-	750,000
Issuance of flow-through shares		1,500,000	360,000	-	-	-	360,000
Flow-through share premium		-	(157,322)	-	-	-	(157,322)
Share issuance costs - finder' warrants		-	(21,548)	-	21,548	-	-
Share issuance costs - cash		-	(76,302)	-	-	-	(76,302)
Issuance of shares on exercise of share purchase warrants		680,000	68,000	-	-	-	68,000
Share-based payments	13	-	-	171,023	-	-	171,023
Net loss and comprehensive loss for the period		-	-	-	-	(1,096,415)	(1,096,415)
Balance as at September 30, 2020		58,388,470	\$ 5,838,626	\$ 674,319	\$ 784,374	\$ (5,828,645)	\$ 1,468,674

	Notes	Share capital		Contributed	Warrants	Deficit	Total
		Number		Surplus			
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	4,166,667	416,667	-	-	-	416,667
Issuance of shares on exercise of stock options	11	52,500	6,161	(2,636)	-	-	3,525
Issuance of shares on exercise of share purchase warrants	12	1,938,461	213,231	-	(48,462)	-	164,769
Share-based payments	13	-	-	45,739	-	-	45,739
Net loss and comprehensive loss for the period						(319,682)	(319,682)
Balance as at September 30, 2019		42,498,605	\$ 4,369,715	\$ 505,875	\$ 652,874	\$ (3,884,296)	\$ 1,644,168

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Cash Flows
(unaudited)
(Expressed in Canadian Dollars)

	Notes	For the nine months ended September 30,	
		2020	2019
OPERATING ACTIVITIES			
Net loss for the period		\$ (1,096,415)	\$ (319,682)
Adjustments:			
Mining option payment	11	750,000	-
Mining tax credit		(84,531)	-
Share-based payment	13	171,023	45,739
Unrealized gain on investment		(45,000)	-
Gain on sale of mineral properties	7	(25,086)	-
Impairment of exploration and evaluation assets		(16,267)	23,072
Finance costs		533	196
Amortization of rights-of-use asset		1,459	1,459
		(344,284)	(249,216)
Change in non-cash working capital items			
Sales taxes recoverable		(18,907)	33,581
Due from related parties, net		29,874	(42,151)
Other assets		6,614	(53,867)
Accounts payable and accrued liabilities		(65,786)	19,135
		(48,205)	(43,302)
Cashflows used by operating activities		(392,489)	(292,518)
INVESTING ACTIVITIES			
Additions to exploration and evaluation assets	9	(23,551)	(374,515)
Tax credits received	9	114,499	11,740
Cashflows from (used by) investing activities		90,948	(362,775)
FINANCING ACTIVITIES			
Proceeds from issuance of units under a private placement	11	400,000	-
Proceeds from issuance of flow-through shares		360,000	-
Proceeds from exercise of stock options		-	3,525
Proceeds from exercise of warrants	18	68,000	164,769
Proceeds from long-term debt		40,000	-
Repayment of lease liabilities		(2,077)	(2,077)
Share issue expenses		(76,302)	-
Cashflows from financing activities		789,621	166,217
Increase (decrease) in cash		488,080	(489,076)
Cash and cash equivalents, beginning of period		47,866	627,208
Cash and cash equivalents, end of period		\$ 535,946	\$ 138,132

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

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

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 trade on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at September 30, 2020, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 36.86% (December 31, 2019 - 37.15%) interest in the Company.

2) GOING CONCERN

These condensed interim 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.

These material uncertainties 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.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

3) BASIS OF PRESENTATION

These condensed interim financial statements, approved by the Board of Directors on November 23, 2020, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”. These condensed interim financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019.

4) SIGNIFICANT ACCOUNTING POLICIES

Overall considerations

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 4 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2019.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years.

Accounting standards issued and in effect during the period

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. 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.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES

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 IAS 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. 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.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 5 to the Company's audited financial statements for the year ended December 31, 2019.

Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected.

The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its Exploration and evaluation assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

6) CASH AND CASH EQUIVALENTS

	As at September 30, 2020	As at December 31, 2019
Cash	\$ 116,166	\$ 366
Cash from flow-through funding (note 11)	359,981	-
Demand deposits	59,799	47,500
	\$ 535,946	\$ 47,866

The deposit is due on demand and bears interest at 1.65% per annum and maturing on February 5, 2021.

7) INVESTMENTS

The current portion of investments of \$70,000 (December 31, 2019 - \$nil) is comprised of marketable securities representing shares of publicly traded mining exploration companies that are recorded at fair value using quoted market prices.

The long-term portion of investments is comprised of common shares of private companies with a fair value of \$727,653 (December 31, 2019 - \$727,653).

8) OTHER ASSETS

	As at September 30, 2020	As at December 31, 2019
Advances ^(a)	11,604	14,709
Prepaid expenses	8,584	11,624
Other	1,222	1,691
	\$ 21,410	\$ 28,024

a) Advances include an amount of \$11,604 (December 31, 2019 - \$11,604) which is held with one of the Company's suppliers for geophysics services.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by principal area of interest as at September 30, 2020 and December 31, 2019:

	As at January 1, 2020	Net Additions	Recovery (impairment)	Credits	Disposals	Government Assistance	As at September 30, 2020
<i>Exploration expenditures</i>							
Québec	\$ 221,285	23,551	11,163	(948)	-	-	\$ 255,051
Ontario	37,776	-	(19,298)	-	-	-	18,478
Québec North	7,710	-	2,114	(1,051)	-	-	8,773
	266,771	23,551	(6,021)	(1,999)	-	-	\$ 282,302
<i>Government assistance</i>	(93,336)	-	24,287	-	-	(9,046)	(78,095)
	\$ 173,435	23,551	18,266	(1,999)	-	(9,046)	\$ 204,207

	As at January 1, 2019	Net Additions	Impairment	Credits	Disposals	Government Assistance	As at December 31, 2019
<i>Exploration expenditures</i>							
Québec	\$ 628,388	219,200	(545,894)	(11,740)	(68,669)	-	\$ 221,285
Ontario	15,282	152,340	(109,972)	-	(19,874)	-	37,776
Québec North	23,198	3,608	(19,096)	-	-	-	7,710
	666,868	375,148	(674,962)	(11,740)	(88,543)	-	\$ 266,771
<i>Shares issued to Golden Valley</i>	416,667	250,000	(666,667)	-	-	-	-
<i>Government assistance</i>	-	-	-	-	-	(93,336)	(93,336)
	\$ 1,083,535	625,148	(1,341,629)	(11,740)	(88,543)	(93,336)	\$ 173,435

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

	As at December 31, 2019	Additions	Recoveries Impairment	Disposals	As at September 30, 2020
Geophysical surveys	\$ 211,803	-	-	-	\$ 211,803
Claims	37,917	-	901	(1,999)	36,819
Prospecting	3,000	23,551	-	-	26,551
Technical Assessment	7,129	-	-	-	7,129
Other	6,922	-	(6,922)	-	-
	266,771	23,551	(6,021)	(1,999)	282,302
Government assistance	(93,336)	(9,046)	24,287	-	(78,095)
	\$ 173,435	14,505	18,266	(1,999)	\$ 204,207

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

a) *Amended Mining Option Agreement and Exercise of Option with Golden Valley*

On April 18, 2017, the Company signed an Option Agreement with Golden Valley to acquire a 100% interest in the Abitibi Greenstone Belt Prospect consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

The Company has an obligation to issue 4,166,667 shares on or before December 31, 2020. In addition, Golden Valley will be eligible to 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. Further, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for \$500,000 on a property by property basis with a maximum total consideration of \$5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

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, March 5, 2019, and April 7, 2020, 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 exploration 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.

c) *Shoot-Out Prospect*

The Shoot-Out Prospect is the combination of several properties, which are located in the Raglan Belt (Nunavik) of northern Québec. The Company has a 100% ownership interest in these properties whereby several claims are subject to a 3% NSR in favour of the original vendors, one of which is a director and President of the Company.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

d) Fortin Prospect (Agreement announced on November 8, 2004)

The Fortin Prospect is located in the central part of Ducros Township, approximately 80 kilometres northeast of the City of Val-d'Or, Québec, and consists of 5 contiguous mining claims covering 200 ha. 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.

Royalty Interests

a) Powell Prospect

On February 6, 2020, the Company entered into an agreement with respect to 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 received 1,000,000 shares in the share capital of Sparton and the Company was granted a royalty of 2%, assigned with a value of \$86, from the property. One percent of the net smelter return (or 50% of the 2% net smelter royalty) may be purchased by Sparton at any time after the acquisition of the claims for US\$2.5 million. The Company recognized a gain of \$25,086 on sale of this prospect.

b) 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 in the share capital of Juno, and the Company was granted a royalty of 1.5%, assigned with a value of \$8,377, of the net smelter returns from the property.

10) LONG-TERM DEBT

The Company applied and received the \$40,000 Canada Emergency Business Account which is an interest-free loan to cover operating costs. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of \$10,000.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

11) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

2020 transaction on share capital

Issuance of Units under a private placement

On May 7, 2020, the Company closed a non-brokered private placement offering, pursuant to which it issued 5,333,332 Units at a per Unit price of \$0.075 for gross proceeds of \$400,000. Each Unit consisted 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 until May 7, 2022.

The fair value of the 2,666,666 warrants was estimated at \$109,952 using the Black-Scholes valuation model with the following assumptions: an expected volatility of 149.98%, a risk-free interest rate of 0.26%, an expected unit life of 2 years, no expected dividend yield and a share price of \$0.10 at date of grant. The fair value of these warrants was deducted from share capital and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the financing, finders' fees in the aggregate amount of \$9,800 in cash and warrants to acquire an aggregate 130,666 shares at a per share price of \$0.10 until May 7, 2022 were paid to arm's-length's finders who introduced the Company to investors. The related fair value method, using the Black Scholes options pricing model was retained to estimate the fair value of the 130,666 non-transferable finders warrants with the following assumptions: an expected volatility of 149.98%, a risk-free interest rate of 0.26%, an expected unit life of 2 years, no expected dividend yield and a share price at date of grant of \$0.10. As a result, the warrants were valued at \$13,870 and recorded as an increase of issuance costs, deducted from share capital, and as an increase of Warrants in the statement of changes in equity. The Company also incurred legal fees and regulatory fees in relation with the private placement for a total of \$33,221.

Issuance of Flow-Through Common Shares

On July 3, 2020, the Company completed a non-brokered private placement offering (the "Offering") for gross proceeds of \$360,000. The Company issued 1,500,000 Flow-Through Common Shares (the "FT Shares") under the Offering at a price of \$0.24 per FT Share. The FT Shares will be "flow-through shares" as defined in the Income Tax Act (Canada).

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

11) EQUITY (continued)

Issuance of Flow-Through Common Shares (continued)

The flow-through shares were issued at a premium of \$11.0 per share to the current market price of the Company's shares at the day of issue. The premium was recognized as a liability at \$157,322 with a subsequent pro-rata reduction of the liability recognized as flow-through premium income as the required expenditures are incurred. No flow-through premium income was recognized for the three and nine months ended September 30, 2020. Finder's fees in the aggregate amount of \$21,700 in cash and finder's warrants to acquire an aggregate 90,416, shares at a per share price of \$0.24 until July 3, 2022 (the "Finder's Warrants") were paid to arm's-length's finders who introduced the Company to investors. The Black Scholes options pricing model was used to estimate the fair value of the 90,416 finders warrants with the following assumptions: an expected volatility of 158.90%, a risk-free interest rate of 0.26%, an expected unit life of 2 years, no expected dividend yield and a share price at date of grant of \$0.13. As a result, the warrants were valued at \$7,678 and recorded as an increase of issuance costs, deducted from share capital, and as an increase of Warrants in the statement of changes in equity. All securities issued under the Offering, including common shares underlying the Finder's Warrants, were subject to a hold period until November 4, 2020, in accordance with applicable securities legislation.

Issuance of shares for grant of mining option

On June 18, 2020, the Company issued 4,166,667 of its common shares valued at \$750,000 as required under the Amended Mining Option Agreement with Golden Valley (note 9).

Share capital to be issued from exercise of share purchase warrants

For the nine months ended September 30, 2020, the Company issued 680,000 of its common shares pursuant to the exercise of 1,938,461 warrants share purchase warrants for a total consideration of \$68,000.

2019 transaction on share capital

Issuance of shares for grant of mining option

On January 22, 2019, the Company issued 4,166,667 of its common shares valued at \$416,667 as required under the Amended Mining Option Agreement with Golden Valley (note 9).

Incentive stock option

On January 22, 2019, the Company issued 52,500 of its common shares for a total consideration of \$3,525 from the exercise of stock options at prices of \$0.065 per share (45,000 shares) and \$0.08 per share (7,500 shares).

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

11) EQUITY (continued)

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 warrants share purchase warrants for a total consideration of \$164,769.

12) WARRANTS

The following table shows the changes in warrants:

	For the nine months ended September 30, 2020		For the year ended December 31, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	9,939,090	\$ 0.140	14,517,751	\$ 0.120
Issued under a private placement (note 11)	2,666,666	0.100	-	-
Issued under finders' fee payment (note 11)	130,666	0.100	-	-
Issued under finders' fee payment (note 11)	90,416	0.240	-	-
Exercised	(680,000)	0.100	(1,938,461)	0.085
Expired	-	-	(2,640,200)	(0.085)
Outstanding, end of period	12,146,838	\$ 0.14	9,939,090	\$ 0.140

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

Expiration date	As at September 30, 2020		As at December 31, 2019	
	Number of outstanding warrants	Exercise price	Number of outstanding warrants	Exercise price
November 30, 2020	700,000	\$ 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
May 7, 2022	2,797,332	0.10	-	-
July 3, 2022	90,416	0.24	-	-
	12,146,838	\$ 0.14	9,939,090	\$ 0.14

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

13) 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 shall 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 shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall 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 is presented as follows:

	For the nine months ended September 30, 2020		For the nine months ended September 30, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	4,156,661	\$ 0.096	3,630,097	\$ 0.104
Granted	1,311,350	0.150	722,263	0.075
Exercised	-	-	(52,500)	0.070
Forfeited	(175,000)	0.100	(100,000)	0.105
Outstanding, end of period	5,293,011	\$ 0.110	4,199,860	\$ 0.104

Incentive Stock Options granted in 2020

On June 26, 2020, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,311,350 common shares at an exercise price of \$0.15 per share. The options are exercisable for a period of 5 years until June 26, 2025 and are exercisable immediately.

The fair value of the 1,311,350 stock options has been estimated on the date of issue at \$171,023, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: \$0.15; expected dividend yield: nil; expected volatility: 141.49%; risk-free interest rate: 0.31%; expected life: 5 years and exercise price at the date of grant: \$0.15 per share.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

13) SHARE-BASED PAYMENTS (continued)

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	2,375,000	0.105
October 24, 2023	510,097	0.110
June 17, 2024	672,263	0.075
June 26, 2025	1,311,350	0.150
	5,293,011	\$ 0.110

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 was adopted and implemented by the Company's Board upon receipt of acceptance by the TSX Venture Exchange.

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 three and nine months ended September 30, 2020.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

14) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the three and nine months ended September 30, 2020 and 2019 as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net loss for the period	\$ (28,199)	\$ (60,153)	\$ (1,096,415)	\$ (319,682)
Weighted average number of common shares - Basic	58,217,383	42,498,605	51,806,354	41,498,244
Dilutive effect of stock options and warrants	-	-	-	-
Weighted average number of common shares - Diluted	58,217,383	42,498,605	51,806,354	41,498,244
Basic loss per share	\$ (0.000)	\$ (0.001)	\$ (0.021)	\$ (0.008)
Diluted loss per share	(0.000)	(0.001)	(0.021)	(0.008)

For the three and nine months ended September 30, 2020 and 2019, 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.

15) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions included in the Statements of Cash Flows for the nine months ended September 30, 2020 and 2019 are as follows:

	2020	2019
Tax credits deducted from exploration and evaluation assets	\$ 9,046	\$ 11,740

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

16) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

For the three and nine months ended September 30, 2020, Golden Valley recharged general and administrative expenses of \$3,477 and \$3,477 to the Company, respectively. For the three months ended September 30, 2019, Golden Valley recharged claim renewal fees and administrative expenses to the Company for a total amount of \$22,550, of which \$10,845 was capitalized as Exploration and Evaluation assets and the remaining \$11,705 was recorded in the statement of net loss. For the nine months ended September 30, 2019, Golden Valley recharged claim renewal fees and administrative expenses to the Company for a total amount of \$55,702, of which \$19,185 was capitalized as Exploration and Evaluation assets and the remaining \$36,517 was recorded in the statement of net loss.

For the three and nine months ended September 30, 2020, no consultant fees (for the three and nine months ended September 30, 2019 - \$6,000 and \$18,000, respectively) were incurred from Golden Valley relating to the services of the Company's CFO.

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 September 30, 2020, the Company had a net receivable of \$10,644 (December 31, 2019 – net receivable of \$8,400) due from Golden Valley.

b) Transactions with key management

Key management personnel of the Company comprise 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 three and nine months ended September 30, 2020, the Company incurred geological fees of \$3,000 and \$3,000 respectively with the CEO which were recorded under Exploration and evaluation expenses in the statement of net loss (for the three and nine months ended September 30, 2019 - \$nil and \$nil).

For the three and nine months ended September 30, 2020, the Company incurred fees of \$24,000 and \$72,000 respectively with the COO which were recorded under consulting fees in the statement of net loss (for the three and nine months ended September 30, 2019 - \$24,000 and \$72,000, with the COO of which \$18,000 and \$54,000 was capitalized as Exploration and Evaluation asset and \$6,000 and \$18,000 was recorded under consulting fees in the statement of net loss, respectively). As at September 30, 2020, no amount (December 31, 2019 - \$14,400, included in accounts payable and accrued liabilities) was due to the COO.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

16) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management (continued)

For the three and nine months ended September 30, 2020, the Company incurred fees of \$6,193 and \$53,058, respectively with the VP Exploration which fees were recorded under Exploration and evaluation expenses in the statement of net loss (for the three and nine months ended September 30, 2019 - \$30,128 and \$90,383, respectively, which were recorded under Exploration and Evaluation asset. As at September 30, 2020, the amount of \$1,283 (December 31, 2019 - \$18,969) is due to the VP Exploration and is included in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2020, the Company granted stock options to key management personnel to purchase an aggregate 1,220,000 common shares of the Company. The Company recorded a stock-based compensation of \$159,110 as part of this transaction.

For the three and nine months ended September 30, 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.

c) Transactions with related parties

For the three and nine months ended September 30, 2020, the Company incurred fees of \$nil and \$7,000 (for the three and nine months ended September 30, 2019 - \$10,500 and \$31,500) with an individual, the spouse of the President, as part of a consulting agreement for corporate finance and advisory services which expired in February 2020. These fees were recorded under consulting fees in the statement of net loss.

For the three and nine months ended September 30, 2020, the Company incurred rent and occupancy fees of \$nil and \$3,000 respectively with a company controlled by the President which fees were recorded under office expenses in the statement of net loss (for the three and nine months ended September 30, 2019 - \$3,000 and \$9,000 of which \$2,250 and \$6,750 was recorded under Exploration and Evaluation asset and \$750 and \$2,250 was recorded in the statement of net 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 September 30, 2020, the Company had a net receivable balance of \$13,589 (December 31, 2019 – net receivable of \$43,463) due from related parties of which \$10,644 (December 31, 2019 – net receivable of \$8,400) was due from Golden Valley, \$nil (December 31, 2019 – net payable of \$1,348) was due to a company controlled by the President, and of \$2,945 (December 31, 2019 – net receivable of \$36,411) due from companies related by common management.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

17) COMMITMENTS

- a) 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.
- b) The Company entered into a consulting agreement with the CEO for an annual payment of \$12,000. 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 CEO within six months from the date of change of control.
- c) The Company entered into a consulting agreement with the COO for an annual payment of \$96,000. 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 COO within six months from the date of change of control.
- d) The Company entered into a consulting agreement with the VP Exploration for an annual payment of \$13,390. 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.
- e) As of September 30, 2020, the Company has still to incur exploration expenditures in an amount of \$336,450 from its flow-through funds.

VAL-D'OR MINING CORPORATION

Notes to Financial Statements

September 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise noted)

18) SUBSEQUENT EVENTS

As announced on October 27, 2020, Val-d'Or Mining entered into an agreement with respect to the sale of several properties referred to as the Ducros Group of Properties. The properties are located in the Ducros Township northeast of Val-d'Or, Québec. The purchaser of the property is privately-owned Québec Nickel Corp. ("QNC").

In consideration for a 100% interest in the properties, QNC will issue 3,589,341 special warrants to the Company (of which Golden Valley will receive 80,880 special warrants in accordance with the terms of an amended and restated option agreement between the Company and Golden Valley dated November 28, 2019). One business day prior to the date that QNC's shares are listed on a Canadian exchange, each special warrant will, for no additional consideration, be automatically converted into one common share of QNC. Upon conversion of the special warrants, the aggregate number of shares held by the Company and Golden Valley will amount to approximately 9.99% of the then issued and outstanding shares of QNC. In addition, the Company will be granted a royalty of 1.5% of the net smelter returns from the properties which were vended under the agreement, as well as those properties which were staked or will be otherwise acquired by QNC within an area of influence.