VAL-D’OR MINING CORPORATION

Condensed Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(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 CPA 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 March 31, 2021		As at December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents	6	$	**566,602**	$	639,255
Short-term investments	7		**90,000**		50,000
Tax credit receivable			**1,447**		1,447
Sales taxes recoverable			**9,276**		10,258
Other assets	8		**39,975**		42,735
			707,300		743,695
Non-current assets					
Exploration and evaluation assets	9		**155,027**		154,728
Long-term investments	7		**1,485,534**		1,485,534
Right-of-use asset			**2,432**		2,919
TOTAL ASSETS		$	**2,350,293**	$	2,386,876
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	**35,816**	$	55,195
Flow-through premium liability	12		**141,736**		147,010
Due to related parties	17		**1,727**		6,027
Lease liabilities			**1,566**		1,646
			180,845		209,878
Non-current liabilities					
Loan	11		**60,000**		40,000
Lease liabilities			**345**		708
Total liabilities			**241,190**		250,586
EQUITY					
Share capital	12		**6,565,411**		6,545,615
Contributed surplus			**823,447**		660,870
Warrants	13		**852,244**		852,244
Deficit			**(6,131,999)**		(5,922,439)
Total equity			**2,109,103**		2,136,290
TOTAL LIABILITIES AND EQUITY		$	**2,350,293**	$	2,386,876

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Frank Mariage"*
(signed Glenn J. Mullan)	(signed Frank Mariage)
Director	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 March 31, 2021		2020
Operating expenses					
Share-based compensation	14	$	**170,835**	$	-
Exploration and evaluation expenses	17		**26,936**		37,213
Professional fees			**21,199**		5,978
Salaries and other employee benefits			**11,898**		13,996
Consulting fees	17		**9,000**		31,000
Regulatory and transfer agent fees			**8,667**		6,154
Office expenses			**5,626**		16,637
Travel and entertainment			**558**		1,189
Amortization of right-of-use asset			**486**		486
Impairment of exploration and evaluation assets			**-**		24,212
Operating loss			**255,205**		136,865
Other expenses (income)					
Unrealized gain on investments	7		**(40,000)**		-
Other income from flow-through funding	12		**(5,273)**		-
Gain on sale of mineral properties			**-**		(24,881)
Interest income			**(892)**		(904)
Interest expense			**520**		609
			(45,645)		(25,176)
Net loss and total comprehensive loss for the period		**$**	**209,560**	**$**	111,689
Basic and diluted net loss per common share	15	**$**	**(0.003)**	**$**	(0.002)
Weighted average number of common shares outstanding			**65,046,049**		46,708,471

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)

	Notes	Share capital				Contributed Surplus		Warrants		Deficit		Total
		Number										
Balance as at January 1, 2021		**64,911,938**	**$**	**6,545,615**	**$**	**660,870**	**$**	**852,244**	**$**	**(5,922,439)**	**$**	**2,136,290**
Issuance of shares on exercise of incentive stock options	14	177,500		19,796		(8,258)		-		-		11,538
Share-based payments	14	-		-		170,835		-		-		170,835
Net loss and comprehensive loss for the period		-		-		-		-		(209,560)		(209,560)
Balance as at March 31, 2021		**65,089,438**	**$**	**6,565,411**	**$**	**823,447**	**$**	**852,244**	**$**	**(6,131,999)**	**$**	**2,109,103**

	Notes	Share capital				Contributed Surplus		Warrants		Deficit		Total
		Number										
Balance as at January 1, 2020		**46,708,471**	**$**	**4,625,750**	**$**	**503,296**	**$**	**652,874**	**$**	**(4,732,230)**	**$**	**1,049,690**
Net loss and comprehensive loss for the period		-		-		-		-		(111,689)		(111,689)
Balance as at March 31, 2020		**46,708,471**	**$**	**4,625,750**	**$**	**503,296**	**$**	**652,874**	**$**	**(4,843,919)**	**$**	**938,001**

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 three months ended March 31, 2021		2020
OPERATING ACTIVITIES				
Net loss for the period	$	**(209,560)**	$	(111,689)
Adjustments:				
Share-based payment		**170,835**		-
Unrealized gain on investments		**(40,000)**		-
Other income from flow-through funding		**(5,273)**		-
Amortization of right-of-use asset		**486**		486
Finance expense (income)		**(443)**		151
Gain on sale of mineral properties		**-**		(24,881)
Impairment of exploration and evaluation assets		**-**		24,212
		(83,955)		(111,721)
Change in non-cash working capital items				
Sales taxes recoverable		**982**		(4,084)
Due to related parties		**(4,300)**		64,138
Other assets		**2,760**		15,060
Accounts payable and accrued liabilities		**(19,379)**		49,703
		(19,937)		124,817
Cashflows from (used by) operating activities		**(103,892)**		13,096
INVESTING ACTIVITIES				
Additions to exploration and evaluation assets		**(299)**		(6,261)
Cashflows used by investing activities		**(299)**		(6,261)
FINANCING ACTIVITIES				
Proceeds from long-term debt		**20,000**		-
Proceeds from exercise of stock options		**11,538**		-
Repayment of lease liabilities		**-**		(692)
Cashflows from (used by) financing activities		**31,538**		(692)
Increase (decrease) in cash and cash equivalents		**(72,653)**		6,143
Cash and cash equivalents, beginning of period		**639,255**		30,366
Cash and cash equivalents, end of period	$	**566,602**	$	36,509

The accompanying notes are an integral part of the condensed interim 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 trade on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at March 31, 2021, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 39.46% (December 31, 2020 - $39.57%) 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.

3) BASIS OF PRESENTATION

These condensed interim financial statements, approved by the Board of Directors on May 21, 2021, 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, 2020.

4) RECENT ACCOUNTING PRONOUNCEMENTS

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.

In May 2020, the IASB issued a package of narrow-scope amendments to three standards (IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets") as well as the IASB's Annual Improvements to IFRS Standards 2018 - 2020. These amendments to existing IFRS standards are to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights. These amendments are effective for annual periods beginning on or after January 1, 2022. The Company is assessing the potential impact of these narrow-scope amendments.

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, 2020.

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.

(Expressed in Canadian dollars unless otherwise noted)

6) CASH AND CASH EQUIVALENTS

		As at March 31, 2021		As at December 31, 2020
Cash	$	**212,266**	$	272,853
Cash from flow-through funding (note 12)		**324,336**		336,402
Demand deposits		**30,000**		30,000
	$	**566,602**	$	639,255

The deposit is due on demand and bears interest at 0.15% per annum and maturing on February 5, 2022.

7) INVESTMENTS

The short-term portion of investments of $90,000 as at March 31, 2021 (December 31, 2020 - $50,000) is comprised of marketable securities, representing shares of a publicly traded mining exploration company, that are recorded at fair value using quoted market prices.

The long-term portion of investments of $1,485,534 as at March 31, 2021 (December 31, 2020 - $1,485,534) is comprised of common shares with a fair value of $1,327,653 (December 31, 2020 - $1,327,653) and special warrants with a fair value of $157,881 (December 31, 2020 -$157,881) of private mining exploration companies that do not have a quoted market price in an active market. The Company assessed the fair value of these shares and special warrants based on techniques and assumptions that emphasized both qualitative and quantitative information.

8) OTHER ASSETS

		As at March 31, 2021		As at December 31, 2020
Deposits	$	**24,288**	$	24,185
Advance to supplier		**11,604**		11,604
Prepaid expenses		**2,861**		5,724
Other		**1,222**		1,222
	$	**39,975**	$	42,735

Deposits of $24,288 (December 31, 2020 -$24,185) are held with Ministère de l'Énergie et des Ressources Naturelles for claims staking and management on corporate owned properties.

Advance to supplier of $11,604 as at March 31, 2021 and December 31, 2020 represents an amount 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 principal area of interest as at March 31, 2021 and December 31, 2020:

		As at January 1, 2021	Net Additions	Recovery (impairment)	Credits	Disposals	Government Assistance		As at March 31, 2021
Exploration expenditures									
Québec	**$**	**149,728**	**402**	**-**	**-**	**-**	**-**	**$**	**150,130**
Ontario		**5,000**	**-**	**-**	**(103)**	**-**	**-**		**4,897**
Québec North		**-**	**-**	**-**		**-**	**-**		**-**
	$	**154,728**	**402**	**-**	**(103)**	**-**	**-**	**$**	**155,027**

		As at January 1, 2020	Net Additions	Recovery (impairment)	Credits	Disposals	Government Assistance		As at December 31 2020
Exploration expenditures									
Québec	$	127,949	152,883	(96,792)	(948)	(24,880)	(8,484)	$	149,728
Ontario		37,776	232	(33,912)	904	-	-		5,000
Québec North		7,710	-	(7,710)	-	-	-		-
		173,435	153,115	(138,414)	(44)	(24,880)	(8,484)		154,728
Mining option payments		-	1,309,667	(1,309,667)	-	-	-		-
Mining tax credit		-	(84,531)	84,531	-	-	-		-
	$	173,435	1,378,251	(1,363,550)	(44)	(24,880)	(8,484)	$	154,728

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 a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

Golden Valley is 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. Furthermore, 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%.

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

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 2973090 Canada Inc. ("2973090"), a Canadian private company wholly-owned and controlled by the President and Director of the Company granted an option to the Company to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty

On December 9, 2020, the Company entered into an agreement (the "Amendment Agreement") with 2973090 to further amend a Mining Option Agreement relating to the Boston Bulldog Prospect to remove the requirement to incur exploration expenditures on the property in the aggregate amount of the $50,000 by April 7, 2021, and to remove the 3% NSR commitment. As consideration for the amendments, the Company issued 200,000 common shares, with a fair value of $18,000, to 2973090, following which the Company have fully exercised the option and acquired 100% ownership of the Boston Bulldog Prospect.

Tax credit receivable

The Company recognized a receivable of $1,447 as at March 31, 2021 and December 31, 2020 in government tax credits, which has been applied against the Exploration and evaluation costs to which it relates.

Exploration and evaluation assets by expenditures:

	As at January 1, 2021	Net Additions	Recovery (impairment)	Credits	Disposals	Government Assistance	As at As at March 31, 2021
Geophysical surveys	$ 116,093	-	-	-	-	-	$ 116,093
Claims staking	35,252	299	-	-	-	-	35,551
Prospecting	3,383	-	-	-	-	-	3,383
Technical assessment	-	-	-	-	-	-	-
	154,728	299	-	-	-	-	155,027
Mining tax credit	-	-	-	-	-	-	-
	$ 154,728	299	-	-	-	-	$ 155,027

(Expressed in Canadian dollars unless otherwise noted)

9) EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation assets by expenditures (continued):

		As at January 1, 2020	Net Additions	Recovery (impairment)	Credits	Disposals	Government Assistance		As at December 31, 2020
Geophysical surveys	$	125,390	-	21,659	-	(24,879)	(6,077)	$	116,093
Resource property costs		-	117,000	(117,000)	-	-	-		-
Claims staking		37,916	480	(38,352)	(44)	-	-		-
Prospecting		3,000	32,252	-	-	-	-		35,252
Striping and excavation		-	3,383	-	-	-	-		3,383
Technical assessment		7,129	-	(4,721)	-	-	(2,408)		-
		173,435	153,115	(138,414)	(44)	(24,879)	(8,485)		154,728
Mining option payments		-	1,309,667	(1,309,667)	-	-	-		-
Mining tax credit		-	(84,531)	84,531	-	-	-		-
	$	173,435	1,378,251	(1,363,550)	(44)	(24,879)	(8,485)	$	154,728

10) ROYALTY INTERESTS

a) Ducros Group of Properties

In October 6, 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 issued 3,589,341 special warrants, with a fair value of $179,467 to the Company (of which Golden Valley received 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.

In addition, the Company was granted a royalty of 1.5% of the net smelter returns from the properties which were sold under the agreement, as well as those properties which were staked or will be otherwise acquired by QNC within an area of influence.

10) ROYALTY INTERESTS

b) 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% 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.

c) 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 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% of the net smelter returns from the property.

d) 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 purchaser 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 were split between Val-d'Or Mining and Golden Valley Mines, whereby Val-d'Or Mining retained 80% of the aggregate consideration (4,276,526 shares (or $855,305)) and Golden Valley received 20% of the consideration (1,069,131 shares (or $213,826)) pursuant to the terms of the recently amended Mining Option 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.

11) LONG-TERM DEBT

The Company applied and received the $60,000 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 $20,000.

12) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

b) 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 flow-through shares were issued at a premium of $0.11 per share to the current market price of the Company's shares at the day of issue.

As at December 31, 2020, the flow-through premium liability amounted to $147,010, decreasing to $141,736 as at March 31, 2021 as flow-through share premium of $5,273 was reallocated to "other income from flow-through funding" in the statement of net loss and comprehensive loss as a result of the Company incurring qualifying exploration expenditures during the three months ended March 31, 2021.

c) Issuance of shares on exercise of incentive stock options

For the three months ended March 31, 2021, the Company issued 177,500 of its common shares for at total consideration of $11,538 from the exercise of stock options at prices of $0.065 per share.

For the three months ended March 31, 2020, no incentive stock options were exercised.

(Expressed in Canadian dollars unless otherwise noted)

13) WARRANTS

The following table shows the changes in warrants:

	For the three months ended March 31, 2021			For the three months ended March 31, 2020		
	Number of outstanding warrants		Weighted average exercise price	Number of outstanding warrants		Weighted average exercise price
Outstanding, beginning of period	**4,046,838**	**$**	**0.14**	9,939,090	$	0.14
Outstanding, end of period	**4,046,838**	**$**	**0.12**	9,939,090	$	0.14

For the three months ended March 31, 2021 and 2020, no share purchase warrants were issued, exercised, or expired.

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

	As at March 31, 2021			As at December 31, 2020		
Expiration date	Number of outstanding warrants		Exercise price	Number of outstanding warrants		Exercise price
October 18, 2021	**1,159,090**	**$**	**0.15**	1,159,090	$	0.15
May 7, 2022	**2,797,332**		**0.10**	2,797,332		0.10
July 3, 2022	**90,416**		**0.24**	90,416		0.24
	4,046,838	**$**	**0.12**	4,046,838	$	0.12

14) 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.

(Expressed in Canadian dollars unless otherwise noted)

14) SHARE-BASED PAYMENTS (continued)

A summary of changes in the number of incentive stock options is presented as follows:

	For the three months ended March 31, 2021			For the year ended December 31, 2020		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Outstanding, beginning of period	**4,796,210**	**$**	**0.110**	4,156,661	$	0.096
Granted	**1,615,233**		**0.130**	1,311,350		0.150
Exercised	**(177,500)**		**0.065**	(156,801)		0.090
Forfeited	**-**		**-**	(515,000)		0.100
Outstanding, end of period	**6,233,943**	**$**	**0.117**	4,796,210	$	0.110

On February 22, 2021, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 1,615,233 common shares at an exercise price of $0.13 per share. The options are exercisable for a period of 5 years until February 22, 2026 and are exercisable on vesting.

The fair value of the 1,615,233 stock options has been estimated on the date of issue at $170,835, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.13; expected dividend yield: nil; expected volatility: 144.01%; risk-free interest rate: 0.53%; expected life: 5 years and exercise price at the date of grant: $0.13 per share.

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

Expiration date	Number of options		Exercise price
May 16, 2021	245,000	$	0.065
February 5, 2023	2,025,000		0.105
October 24, 2023	470,097		0.110
June 17, 2024	567,263		0.075
June 26, 2025	1,311,350		0.150
February 22, 2026	1,615,233		0.130
	6,233,943	$	0.117

(Expressed in Canadian dollars unless otherwise noted)

14) 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 will be 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. The Company's RSU Plan was approved by the TSX Venture Exchange.

No restricted shares units were issued for the three months ended March 31, 2021 and 2020.

15) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the three months ended March 31, 2021 and 2020 as follows:

		2021		2020
Net loss for the period	$	**(209,560)**	$	(111,689)
Weighted average number of common shares - Basic		**65,046,049**		46,708,471
Dilutive effect of stock options and warrants		**-**		-
Weighted average number of common shares - Diluted		**65,046,049**		46,708,471
Basic loss per share	$	**(0.003)**	$	(0.002)
Diluted loss per share		**(0.003)**		(0.002)

For the three months ended March 31, 2021 and 2020, 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)

16) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions included in the Statements of Cash Flows for the three months ended March 31, 2021 and 2020 are as follows:

	2021	2020
Accounts payable and accrued liabilities included in exploration and evaluation assets	**$ -**	$ 33,597

17) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement ") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9., in consideration of $8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the three months ended March 31, 2021, the Company reimbursed Golden Valley the amount of $1,814 (for the three months ended March 31, 2020 - $nil) relating to this arrangement.

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 March 31, 2021, the Company had a net receivable of $600 (December 31, 2020 – net receivable of $1,753) 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 months ended March 31, 2021, the Company incurred consulting fees of $3,000 (2020 - $nil) with the CEO which was recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2021, the amount of $1,045 (December 31, 2020 - $1,150) was due to the CEO and is included in due to related parties.

For the three months ended March 31, 2021, the Company incurred fees of $24,000 (2020 - $24,000) with the COO of which $18,000 (2020 - $nil) and $6,000 (2020- $24,000) were recorded under exploration and evaluation expenses and consulting fees in the statements of net loss and comprehensive loss, respectively. As at March 31, 2021 and December 31, 2020, no amount was due to the COO.

17) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management

For the three months ended March 31, 2021, the Company incurred fees of $3,348 (2020 - $30,127) with the VP Exploration, which was recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2021, the amount of $1,282 (December 31, 2020 - $6,735) was due to the VP Exploration and is included in due to related parties.

For the three months ended March 31, 2021, the Company granted incentive stock options to key management personnel to purchase an aggregate 1,261,233 common shares of the Company. The Company recorded a stock-based compensation of $133,394 relating to this grant. For the three months ended March 31, 2020, no incentive stock options were granted to key management personnel.

c) Transactions with related parties

For the three months ended March 31, 2021, the Company incurred fees of $nil (2020 – $7,000) 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. The fees for 2020 were recorded under consulting fees in the statements of net loss and comprehensive loss.

For the three months ended March 31, 2021, the Company incurred rent and occupancy fees of $nil (2020 – $3,000 which was recorded under office expenses in the statements of net loss and comprehensive loss) with a company controlled by the President.

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 March 31, 2021, the Company had a net payable balance of $1,727 (December 31, 2020 –$6,027) due to related parties of which $600 (December 31, 2020 –$1,753 due from Golden Valley) was due from Golden Valley, $1,045 (December 31, 2020 – $1,150) was due to a company controlled by the President, $1,282 (December 31, 2020 –$6,735) was due to the VP Exploration and of $nil (December 31, 2020 – $105) due from companies related by common management.

18) COMMITMENTS

a) 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.

18) COMMITMENTS (continued)

b) 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.

c) 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.

d) As at March 31, 2021, the Company has still to incur exploration expenditures in an amount of $324,335 (December 31, 2020 - $336,402) from its flow-through funds.

e) 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 are $2,769 in 2021 and $1,384 in 2022.

19) 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).

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 Levels1, 2and 3in the reporting periods. The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

(Expressed in Canadian dollars unless otherwise noted)

19) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

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

	As at March 31, 2021		As At December 31, 2020	
Financial assets	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	$ 566,602	566,602	$ 639,255	639,255
Investments	1,575,534	1,575,534	1,535,534	1,535,534
	$ 2,142,136	$ 2,142,136	$ 2,174,789	$ 2,174,789

	As at March 31, 2021		As At December 31, 2020	
Financial liabilities	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable and accrued liabilities	$ 35,816	$ 35,816	$ 55,195	$ 55,195
Due to related parties	1,727	1,727	6,027	6,027
Lease liabilities	1,911	1,911	2,354	2,354
Loans	60,000	60,000	40,000	40,000
	$ 99,454	$ 99,454	$ 103,576	$ 103,576

The carrying value of cash and cash equivalents, due to related parties, accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. As at March 31, 2021, the Company classified cash and cash equivalents and short-term investments as Level 1, and amounts due from/to related parties and other payables as Level 3.

The Company's long-term investments, consisting of investments in the common shares of 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 long-term investments.

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 and cash equivalents of $566,602 as at March 31, 2021 (December 31, 2020 -$639,255). 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 and public companies. The fair value of those instruments represents the maximum exposure to price risk

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 loan of $60,000 (note 11) is expected to be paid in fiscal year 2022.

21) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital areito 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 12 and in the statements of changes in equity. The Company is not subject to any externally imposed capital requirements.

22) SUBSEQUENT EVENT

Issuance of Units under a private placement

On May 6, 2021, the Company announced that it had completed a non-brokered private placement offering (the "Offering") for gross proceeds of $303,790 (which was over-subscribed by $3,790 to the amount previously announced on March 25, 2021).

The Company issued 2,336,846 Units under the Offering at a per Unit price of $0.13, each Unit comprised of one common share in the capital of the Company and one-half of one non-transferable common share purchase warrant, each whole warrant exercisable for the purchase of one common share of the Company at a per share price of $0.19 until May 6, 2023.