Bonterra Resources Inc.

Condensed Consolidated Interim Financial Statements

For the Three Month Periods Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

BONTERRA

Bonterra Resources Inc.

For the Three Month Periods Ended March 31, 2021 and 2020

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Condensed Consolidated Interim Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Bonterra Resources Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Pascal Hamelin" (signed)	"Johnny Oliveira" (signed)
Chief Executive Officer	Chief Financial Officer

NOTICE TO READER

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The condensed consolidated interim financial statements for the three month periods ended March 31, 2021 and 2020 have not been reviewed and or audited by the Company's auditors.

Bonterra Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		March 31, 2021		December 31, 2020
Assets				
Current				
Cash and cash equivalents (note 22)	**$**	**5,668,334**	$	12,440,180
Marketable securities (note 7)		**60,000**		20,000
Receivables (note 8)		**2,146,991**		1,550,152
Inventory (note 9)		**-**		932,104
		7,875,325		14,942,436
Security and contract deposits (note 10)		**1,463,100**		1,902,600
Property, plant and equipment (notes 11 and 12)		**39,021,322**		39,371,322
	$	**48,359,747**	$	56,216,358
Liabilities				
Current				
Trade and other payables (notes 13, and 14)	**$**	**5,574,839**	$	5,875,214
Current portion of long-term debt (note 16)		**313,632**		368,793
		5,888,471		6,244,007
Asset retirement obligations (note 18)		**5,880,000**		5,844,000
Long-term debt (note 16)		**287,413**		351,865
		12,055,884		12,439,872
Shareholders' Equity				
Share Capital (note 19)		**242,523,018**		242,523,018
Share-based Payments Reserve (note 19)		**16,926,388**		16,820,388
Deficit		**(223,145,543)**		(215,566,920)
		36,303,863		43,776,486
	$	**48,359,747**	$	56,216,358

Going Concern (note 2)
Commitments and Contingent Liabilities (note 22)
Subsequent Events (notes 8, 12 and 23)

Approved on behalf of the Board:

"Peter O'Malley"
……………………………… Director
Peter O'Malley

"Matthew Happyjack"
……………………………… Director
Matthew Happyjack

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

Bonterra Resources Inc.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the three month period ended,		**March 31, 2021**		March 31, 2020
Expenses				
Exploration and evaluation (notes 9, 12 and 14)	**$**	**6,652,928**	$	9,213,496
Mill care and maintenance (note 9)		**277,650**		336,175
Salaries, management and director fees (note 14)		**170,277**		249,045
Office and general		**33,125**		100,768
Professional fees (note 14)		**94,979**		85,495
Rent		**20,686**		34,290
Share-based payments (notes 14 and 19)		**106,000**		-
Shareholder communications and investor relations		**137,566**		89,187
Transfer agent and filings fees		**51,577**		45,720
Consulting fees		**-**		25,336
Travel		**5,828**		55,112
Loss Before Other Items		**(7,550,616)**		(10,234,624)
Other Items				
Recovery of flow-through premium liability (note 17)		**-**		1,493,000
Net interest income		**7,993**		51,392
Part XII.6 tax and penalties expense		**-**		(42,000)
Accretion expense (note 18)		**(36,000)**		(35,000)
Net Loss and Comprehensive Loss for the period	**$**	**(7,578,623)**	$	(8,767,232)
Basic and Diluted Loss Per Share	**$**	**(0.08)**	$	(0.11)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted (000's)		**90,552**		77,496

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

(Expressed in Canadian Dollars)

	Share Capital									
	Number of Shares		Share Capital		Share-based Payments Reserve		Deficit		Total
Balance, December 31, 2019	77,493,522	$	227,989,584	$	14,026,388	$	(194,884,248)	$	47,131,724
Private placements	13,043,478		15,000,000		-		-		15,000,000
Share issue costs	-		(477,966)		-		-		(477,966)
Shares issued for exploration and evaluation expenditure	15,000		11,400		-		-		11,400
Share-based payments	-		-		2,794,000		-		2,794,000
Net loss and comprehensive loss for the year	-		-		-		(20,682,672)		(20,682,672)
Balance, December 31, 2020	**90,552,000**	**$**	**242,523,018**	**$**	**16,820,388**	**$**	**(215,566,920)**	**$**	**43,776,486**
Share-based payments	**-**		**-**		**106,000**		**-**		**106,000**
Net loss and comprehensive loss for the year	**-**		**-**		**-**		**(7,578,623)**		**(7,578,623)**
Balance, March 31, 2021	**90,552,000**	**$**	**242,523,018**	**$**	**16,926,388**	**$**	**(223,145,543)**	**$**	**36,303,863**

Balance, December 31, 2019	77,493,522	$	227,989,584	$	14,026,388	$	(194,884,248)	$	47,131,724
Shares issued for exploration and evaluation expenditure	15,000		11,400		-		-		11,400
Net loss and comprehensive loss for the period	-		-		-		(8,767,232)		(8,767,232)
Balance, March 31, 2020	77,508,522	$	228,000,984	$	14,026,388	$	(203,651,480)	$	47,131,724

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

Bonterra Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three month period ended,		March 31, 2021		March 31, 2020
Operating Activities				
Net loss for the period	$	**(7,578,623)**	$	(8,767,232)
Items not involving cash				
Depreciation		**350,000**		385,000
Share-based payments		**106,000**		-
Shares issued for exploration and evaluation		**-**		11,400
Recovery of flow-through premium liability		**-**		(1,493,000)
Marketable securities received for services		**(40,000)**		-
Accretion expense		**36,000**		35,000
Changes in non-cash working capital				
Receivables		**(596,839)**		(682,662)
Inventory		**932,104**		-
Prepaid expenses		**-**		16,458
Security and contract deposits		**439,500**		193,290
Accounts payable and accrued liabilities		**(300,375)**		1,475,966
Cash Used in Operating Activities		**(6,652,233)**		(8,825,780)
Financing Activities				
Payment of long-term debt		**(119,613)**		(124,147)
Cash Used in Financing Activities		**(119,613)**		(124,147)
Outflow of Cash		**(6,771,846)**		(8,949,927)
Cash and cash equivalents, Beginning of Period		**12,440,180**		18,762,439
Cash and cash equivalents, End of Period	$	**5,668,334**	$	9,812,512

Supplemental Disclosure with Respect to Cash Flows (note 20)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Bonterra Resources Inc. (the "Company") is an exploration stage company incorporated on May 1, 2007, under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties in the province of Québec, Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR2". The Company's head office and principal business address is 2872 Sullivan Rd, Suite 2 Val-d'Or, Quebec, Canada, J9P 0B9.

On January 1, 2020, the Company amalgamated the parent Company with its wholly owned subsidiary Metanor Resources Inc. ("Metanor"). This amalgamation was done for administrative purposes and had no material impact on the consolidated financial statements.

2. GOING CONCERN

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred a comprehensive loss of $7,578,623 for the three month period ended March 31, 2021 (Year ended December 31, 2020 - $20,682,672) and has an accumulated deficit of $223,145,543 at March 31, 2021 (December 31, 2020 - $215,566,920). As at March 31, 2021, the Company had working capital of $1,986,854 (December 31, 2020 - $8,698,429). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the existence of economically recoverable mineral resources, the ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

On March 11, 2020, the World Health Organization declared "COVID-19" a global pandemic which continues during the three month period ended March 31, 2021. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

3. BASIS OF PREPARATION (Continued)

a) Statement of compliance (Continued)

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 20, 2021.

The notes herein include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed in the annual audited consolidated financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with our most recent annual audited consolidated financial statements for the year ended December 31, 2020.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"). These condensed consolidated interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. FUTURE ACCOUNTING POLICIES AND STANDARDS ADOPTED

New accounting standards not yet effective and not yet applied

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2020 and, accordingly, have not been applied in preparing these consolidated financial statements.

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – ie. a full-cost approach. Such costs include both the incremental costs of the contract (ie. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – ie. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

4. FUTURE ACCOUNTING POLICIES AND STANDARDS ADOPTED (Continued)

New accounting standards not yet effective and not yet applied (Continued)

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are discussed below.

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(c) Going concern risk assessment

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

(d) Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received from previous experience and the probability of a loss being realized. Several of these factors are a source of estimated uncertainty.

e) Establishing cash-generating units ("CGU")

For the purpose of assessing impairment of its long-term assets, the Company determines the CGU, defined as being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The determination of the CGU and the classification of the Company's assets to the determined CGU require significant judgement having a potentially significant incidence on the result of the subsequent impairment analysis. The Company periodically reviews the determination of the CGU and the corresponding grouping of the Company's assets, including its assets classified as common assets.

f) Impairment of long-term assets

The evaluation if an impairment test in accordance with IAS 36 needs to be performed on its long-term assets requires judgement in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written down in the statement of comprehensive loss in the period when the new information becomes available.

g) Leases

The Company is required to make judgments in determining the lease term. Management considers all facts and circumstances, including economic incentives to exercise an extension option and its asset management strategy. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (Continued)

a) Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the statement of financial position, asset retirement obligations represent management's best estimate of the charge that will result when the actual obligations are terminated.

b) Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

c) Mineral reserve estimate

Mineral reserves and resources are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate the reserves and resources that the Company considers highly likely to be able to convert into reserves, which form the life-of-mine of producing mining properties of the Company, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques and recovery rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of deposits to be determined by analyzing geological data such as the logging and assaying of drill samples. This process may require complex and sophisticated geological models and calculations to interpret the data.

The Company is required to determine and report on the mineral reserves in accordance with the requirements of the Canadian Institute of Mining Standards. Estimates of mineral reserves and resources may change from period to period due to the change in economic assumptions used to estimate mineral reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable mineral reserves and a portion of measured, indicated and inferred resources that the Company expects to convert into reserves may significantly affect the Company's financial results and position in a number of ways, including the following:

Depreciation and amortization charges to the statement of comprehensive loss may change as these are calculated on the unit-of production method, or where the useful economic lives of assets change.

Asset retirement obligations and environmental provisions may change where changes in mineral reserves affect expectations about the timing or cost of these activities.

d) Business combination

Determination of fair value of assets acquired, liabilities assumed and the fair value of purchase consideration requires the use of various estimates made by management.

Classification of a transaction as a business combination depends on whether the assets acquired constitute a business in accordance with the criteria set forth in IFRS 3 Business Combination, which can be a complex judgement.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash, marketable securities and derivative liability are classified as FVTPL; receivables and security and contract deposits as amortized cost; and trade and other payables, and long-term debt as amortized cost.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy as at March 31, 2021 and December 31, 2020:

March 31, 2021	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	**$ 5,668,334**	**$ -**	**$ -**	**$ 5,668,334**
Marketable securities	**$ 50,000**	**$ -**	**$ 10,000**	**$ 60,000**

December 31, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 12,440,180	$ -	$ -	$ 12,440,180
Marketable securities	$ 10,000	$ -	$ 10,000	$ 20,000

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and cash equivalents, by placing it at major Canadian financial institutions. Included in receivables is $2,093,024 (December 31, 2020 - $1,525,669) owing from the Canada Revenue Agency and Revenu Québec. Management of the Company believes it has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The current financial liabilities of the Company as of March 31, 2021 equal $5,888,471 (December 31, 2020 - $6,244,007). The cash and cash equivalents available is sufficient to meet the Company's financial obligations at March 31, 2021.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates. Long-term debt bears interest at fixed rates, thus exposing the Company to the risk of changes in fair value arising from interest rate fluctuations.
iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

d) Capital management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

The Company considers its capital to be equity, which is comprised of share capital, share based payments reserve and deficit, which as at March 31, 2021 totalled $36,303,863 (December 31, 2020 –$43,776,486).

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three month period ended March 31, 2021, and year ended December 31, 2020.

7. MARKETABLE SECURITIES

As at March 31, 2021, marketable securities consisted of shares in publicly-traded or reporting issuer companies with a cost of $60,000 (December 31, 2020 - $20,000) and a fair value of $60,000 (December 31, 2020 - $20,000).

(Expressed in Canadian Dollars)

8. RECEIVABLES

As at,	March 31, 2021	December 31, 2020
Sales tax receivable	**$ 2,093,024**	$ 1,525,669
Other receivables	**53,967**	24,483
Total receivables	**$ 2,146,991**	$ 1,550,152

Below is an aged analysis of the Company's other receivables:

As at,	March 31, 2021	December 31, 2020
1 -90 days	**$ 53,967**	$ 24,483
Over 90 days	**-**	-
Total other receivables	**$ 53,967**	$ 24,483

At March 31, 2021 and December 31, 2020, the Company anticipates full recovery of these receivables and therefore no allowance has been recorded against these receivables. The credit risk on the receivables has been further discussed in note 6(a). The Company holds no collateral for any receivable amounts outstanding as at March 31, 2021 and December 31, 2020. Subsequent to March 31, 2021, the Company has received $364,000 of the sales tax receivable and all of the other receivables outstanding as at March 31, 2021.

9. INVENTORY

As at,	March 31, 2021	December 31, 2019
Gold and silver finished goods	**$ -**	**$** 932,104
Total	**$ -**	**$** 932,104

Included in inventory as at December 31, 2020 was precious metal inventory of 376.102 ounces of gold and 166.132 ounces of silver from the Company's bulk sample during the year ended December 31, 2020 valued at its net realizable value ("NRV") of $932,104. During the three month period ended March 31, 2021, this precious metal inventory was sold for proceeds of $932,104.

10. SECURITY AND CONTRACT DEPOSITS

As at March 31, 2021, the Company had $1,463,100 (December 31, 2020 - $1,902,600) in deposits with the Government of Quebec for the settlement of asset retirement obligations and security deposits, comprised of $144,600 (December 31, 2020 - $144,600) in deposits with Hydro Quebec and $1,318,500 (December 31, 2020 - $1,758,000) to a third party insurance provider to cover the Company's bonds with the Government of Quebec. During the year ended December 31, 2020, the Company engaged an insurance provider to cover the Company's bonds with the Government of Quebec. Under this arrangement, the Company was required to put 40% of the bonds value up as collateral to the insurance provider being $1,758,000. In return, the Company received the deposits with the Government of Quebec of $4,395,001. During the three month period ended March 31, 2021, the insurance provider agreed to reduce the collateral required from 40% of the bonds value to 30%. As a result, $439,500 was received by the Company.

(Expressed in Canadian Dollars)

11. PROPERTY, PLANT AND EQUIPMENT

Cost		Mill infrastructure and related equipment		Underground infrastructure and related equipment		Exploration and related equipment		Total
Balance, December 31, 2019	$	11,863,770	$	22,195,400	$	8,875,664	$	42,934,834
Additions		-		-		199,988		199,988
Balance, December 31, 2020	**$**	**11,863,770**	**$**	**22,195,400**	**$**	**9,075,652**	**$**	**43,134,822**
Additions		**-**		**-**		**-**		**-**
Balance, March 31, 2021	**$**	**11,863,770**	**$**	**22,195,400**	**$**	**9,075,652**	**$**	**43,134,822**
Depreciation								
Balance, December 31, 2019	$	306,600	$	748,300	$	1,180,600	$	2,235,500
Depreciation		222,000		543,000		763,000		1,528,000
Balance, December 31, 2020	**$**	**528,600**	**$**	**1,291,300**	**$**	**1,943,600**	**$**	**3,763,500**
Depreciation		**50,000**		**122,000**		**178,000**		**350,000**
Balance, March 31, 2021	**$**	**578,600**	**$**	**1,413,300**	**$**	**2,121,600**	**$**	**4,113,500**
Net book value, December 31, 2020	$	11,335,170	$	20,904,100	$	7,132,052	$	39,371,322
Net book value, March 31, 2021	**$**	**11,285,170**	**$**	**20,782,100**	**$**	**6,954,052**	**$**	**39,021,322**

12. EXPLORATION AND EVALUATION PROPERTIES

a) Gladiator Project

(i) Coliseum Property

During the year ended May 31, 2010, the Company acquired a 100% interest in claim blocks in Québec near Windfall Lake. The property is subject to a 2% net smelter returns royalty (“NSR”) of which 0.5% can be purchased by the Company for $1,000,000.

(ii) West Arena Property

The Company entered into an option agreement on September 15, 2010, and as amended on February 8, 2011 and March 19, 2012, to acquire a 100% interest in additional mineral claims adjacent to the Coliseum property in Québec.

The agreement is subject to a 2% NSR of which 1% can be purchased for $500,000.

On November 7, 2013, the Company sold an additional 1% NSR.

(iii) East Arena Property

On December 30, 2010, the Company closed a property purchase agreement entered into on December 10, 2010 to acquire a 100% interest in mineral claims east of the Urban-Barry Township in Québec. The agreement is subject to a 2% NSR of which 1% may be purchased for $1,000,000.

(iv) St-Cyr Property

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the St-Cyr property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

12. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Gladiator Project (Continued)

(v) West Lacroix Lake Property

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the West Lacroix Lake property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(vi) Lac Barry Property

On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. ("Golden Valley") to acquire an 85% interest in Golden Valley's Lac Barry property, located in Québec.

Golden Valley retains a 15% interest in the property and a 3% NSR, of which 1% can be purchased by the Company for $1,000,000.

(vii) Macho South Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Macho South property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(viii) Barry Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Barry property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(ix) Bailly Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Bailly property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(x) Thubiére Property

On March 10, 2017, the Company entered into an agreement to acquire a 100% interest in the Thubiére property, located in Québec.

(xi) Lac Mista Property

On March 14, 2017, the Company entered into an agreement to acquire a 100% interest in the Lac Mista property, located in Québec. The vendors retain a 2% gross overriding royalty reserve on the property, of which 1% may be repurchased by the Company for $1,000,000.

(xii) Duke Property

On July 6, 2018, the Company entered into an agreement with Beaufield Resources Inc., which subsequently amalgamated with Osisko Mining Inc., to acquire a 70% interest in the Duke property, located in Québec. In consideration, the Company must make payments as follows:

- Cash payment of $250,000 (paid) and issue 400,000 common shares of the Company (issued on July 12, 2018 and valued at $1,600,000) upon acceptance by the TSX-V;
- An additional $250,000 on or before July 6, 2019 (paid); and
- An additional $250,000 on or before July 6, 2020 (paid).

12. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Gladiator Project (Continued)

(xii) Duke Property (Continued)

The Company must also incur work commitments totalling at least $4,500,000, as follows:

i. a minimum of $1,500,000 on or before the first anniversary of this Agreement (July 6, 2019) (completed);
ii. a further $1,500,000 on or before the second anniversary of this Agreement (July 6, 2020) (completed); and
iii. a further $1,500,000 on or before the third anniversary of this Agreement (Completed subsequent to March 31, 2021).

Any excess work incurred in any year may be carried forward and applied against the subsequent year's Work Commitment.

The Duke Property is subject to an underlying 2.3% NSR, of which 1% can be purchased for $1,000,000.

(xiii) Panache Property

On March 25, 2019, the Company entered into an option agreement to acquire a right to a new property called Panache, consisting of one mining claim covering an area of 56 ha, located 20 km north of the Barry project. The Company acquired the property by making a cash payment of $25,000 (paid on March 28, 2019) and issued 10,000 common shares (issued on March 28, 2019 and valued at $19,500) on closing, to the arm's length vendors and an additional cash payment of $50,000 (paid on March 19, 2020) and 15,000 common shares (issued on March 19, 2020 and valued at $11,400) before the one-year anniversary of the agreement.

(xiv) Lapointe Property

On March 9, 2020, the Company entered into a purchase agreement and acquired a new property called the Lapointe property consisting of nine new claims covering an area of 508 ha, contiguous with the Company's Urban-Barry properties located approximately 10 km southwest of the Barry deposit. To acquire the property, the Company made a cash payment of $10,000.

b) Barry Project

(i) Barry

The Company holds a 100% interest in mining lease and titles in the Barry gold deposit. It is subject to a 3% NSR.

(ii) Barry United

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to NSRs of 1% to 4%.

(iii) Barry Extension

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for $1,000,000, and the other half at conditions to be agreed upon by the parties.

(Expressed in Canadian Dollars)

12. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Barry Project (Continued)

(iv) Barry Souart

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for $500,000, payable in cash or by the issuance of shares at the option of the seller.

b) Bachelor Camp Project

(i) Moroy

The Company holds a 100% interest in mining titles located near the Bachelor Lake property. The whole area is subject to a 1.25% NSR. In addition, certain mining titles are subject to an additional 2% NSR, half of which may be repurchased for $1,000,000.

(ii) Nelligan

The Company holds a 70% interest in mining titles located near the Bachelor Lake property. It is subject to a 2% NSR, half of which may be repurchased for $1,000,000.

(iii) Coniagas

The Company holds a 100% interest in a mining lease located near the Bachelor Lake property.

(iv) Waswanipi Property

During the year ended December 31, 2020, the Company staked 231 claims north and west of the Bachelor mine.

d) Other Projects

(i) Wahnapitei

The Company holds a 90% interest in a property comprised of mining leases and concessions located in Sudbury, Ontario. The remaining 10% can be purchased for $1,000,000.

NSR's related to exploration projects on the Barry and Bachelor Camp projects:

On September 29, 2017, Metanor entered into an amending agreement with Sandstorm, effectively reducing the existing gold stream on the Bachelor mine (which required Metanor to sell 20% of its gold production at the fixed price of US $500 per ounce) and replacing it with a 3.9% NSR on all minerals produced from the Bachelor and Barry properties (including the surrounding exploration properties held by Metanor at September 29, 2017). 2.1% of the NSR can be repurchased upon payment of US $2M for each property, thereby reducing the NSR to 1.8%.

Exploration and evaluation expenditures:

A summary of exploration and evaluation expenditures for the three month periods ended March 31, 2021 and 2020 is as follows:

March 31, 2021	**Quebec Properties**	**Total**
Acquisition costs	$ -	$ -
Net exploration costs	**6,652,928**	**6,652,928**
Total exploration and evaluation expenditures	**$ 6,652,928**	**$ 6,652,928**

(Expressed in Canadian Dollars)

12. EXPLORATION AND EVALUATION PROPERTIES (Continued)

March 31, 2020	Quebec Properties	Total
Acquisition costs	$ 71,400	$ 71,400
Net exploration costs	9,142,096	9,142,096
Total exploration and evaluation expenditures	$ 9,213,496	$ 9,213,496

Included in exploration and evaluation expenditures for the three month period ended March 31, 2021 is depreciation of $300,000 (2020 - $329,000). In addition, the exploration and evaluation expenditures for the three month period ended March 31, 2021 are net of $Nil (2020 - $Nil) (Year ended December 31, 2020 - $4,529,345) mining tax credits received from Revenu Québec of which, $Nil (2020 - $Nil) (Year ended December 31, 2020 - $3,347,530) of the mining tax credits received increased the amount of the Company's flow-through expenditure requirements. The Company has applied for additional mining tax credits for exploration work done between 2018 to 2020. In the event that the Company receives any additional mining tax credits it has claimed, these amounts will likely increase the amount the Company's flow-through expenditure requirements.

Included in exploration and evaluation expenditures for the three month period ended March 31, 2021 is a reduction to exploration and evaluation expenditures from the NRV of precious metals produced or sold from the Company's bulk sample of $1,071,164 (2020 - $Nil) (Year ended December 31, 2020 - $3,662,540) from the production of 451.01 (2020 – Nil, Year ended December 31, 2020 - 1,500.22) ounces of gold and 65.66 (2020 – Nil, Year ended December 31, 2020 - 166.132) ounces of silver. Of the $3,662,540 proceeds from the year ended December 31, 2020, $932,104 was included as inventory for the year ended December 31, 2020 and was sold subsequent to year-end.

13. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is a breakdown of the trade and other payables:

	As at,	
	March 31, 2021	December 31, 2020
Trade payables	**$ 4,925,472**	$ 4,815,228
Accrued liabilities and other payables	**649,367**	1,059,986
Total trade and other payables	**$ 5,574,839**	$ 5,875,214

14. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

For the three month period ended,	March 31, 2021	March 31, 2020
Short-term compensation		
Exploration and evaluation expenditures	**$ -**	$ 45,000
Salaries, management and director fees	**110,000**	189,000
Professional fees	**60,000**	60,000
	170,000	294,000
Share-based compensation	**105,000**	-
	$ 275,000	$ 294,000

Included in trade and other payables at March 31, 2021 was $30,000 (December 31, 2020 - $92,000) due to officers and or directors for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

(Expressed in Canadian Dollars)

15. MINING TAXES PAYABLE

Mining taxes payable as at March 31, 2021 was $Nil (December 31, 2020 - $Nil). The amounts owing related to minimum taxes owing on the mining gold production at Metanor from July 2014 to December 2018 assessed by Revenu Québec. During the year ended December 31, 2020, the Company recorded interest on these mining taxes payable of $134,000 and made a payment to Revenu Québec of $134,000.

16. LONG-TERM DEBT

As at,	March 31, 2021	December 31, 2020
Loans payable, secured by rolling stock and mining equipment, 0.00% to 5.98%, payable in monthly instalments, from 2022 to 2023	$ **252,920**	$ 328,327
Obligations under finance arrangements, 5.17% to 6.99%, payable in monthly instalments, maturing from 2021 to 2023	**348,125**	392,331
	601,045	720,658
Current portion of long-term debt	**(313,632)**	(368,793)
	$ **287,413**	$ 351,865

The instalments on long-term debt for the forthcoming years as at March 31, 2021 are as follows:

	Obligations under finance arrangements	Loans payable
2021	$ **140,265**	$ **145,633**
2022	**187,020**	**70,036**
2023	**46,755**	**37,251**
Total minimum payments	**374,040**	**252,920**
Interest expense included in minimum payments	**(25,915)**	**-**
	$ **348,125**	$ **252,920**

17. FLOW-THROUGH PREMIUM LIABILITY

Flow-through premium liability consists of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances.

	Issued During the Seven Month Period Ended December 31, 2019	Total
Balance, December 31, 2019	**$ 4,454,000**	**$ 4,454,000**
Settlement of flow-through premium liability by incurring expenditures	**(4,454,000)**	**(4,454,000)**
Balance, December 31, 2020 and March 31, 2021	**$ -**	**$ -**

For the seven month period ended December 31, 2019

On December 13, 2019, the Company issued 1,307,066 flow-through shares units at a price of $2.25 per share. The premium paid by investors was calculated as $0.35 per share. Accordingly, $457,000 was recorded as flow-through premium liability. In addition, the Company issued 980,000 super flow-through shares at a price of $2.40 per share. The premium paid by investors was calculated as $0.50 per share. Accordingly, $490,000 was recorded as flow-through premium liability, bringing the total aggregate flow-through premium liability recorded on December 13, 2019 to $947,000.

(Expressed in Canadian Dollars)

17. FLOW-THROUGH PREMIUM LIABILITY (Continued)

For the seven month period ended December 31, 2019 (Continued)

On August 20, 2019, the Company issued 2,166,670 flow-through shares units at a price of $3.00 per share. The premium paid by investors was calculated as $0.50 per share. Accordingly, $1,083,000 was recorded as flow-through premium liability. In addition, the Company issued 1,628,000 super flow-through shares at a price of $4.30 per share. The premium paid by investors was calculated as $1.80 per share. Accordingly, $2,930,000 was recorded as flow-through premium liability, bringing the total aggregate flow-through premium liability recorded on August 20, 2019 to $4,013,000.

18. ASSET RETIREMENT OBLIGATIONS

The Company's past production and current exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment. The Company has recorded the asset retirement obligations on the basis of management's best estimates of future costs, based on information available on the reporting date.

Best estimates of future cost are the amount the Company would reasonably pay to settle its obligation on the closing date of the project.

The future costs are discounted using the risk-free interest rate of the Company and are recorded as liabilities. The counterparts of these obligations are capitalized to property, plant and equipment which will be depreciated in accordance with the unit-of-production method, based on the estimated life of the mine upon beginning of commercial production. The asset retirement obligations are adjusted for accumulated accretion in accordance with the expected timing of payment of the cash flows required to settle these obligations.

a) Changes in obligations

The following table sets forth the changes in the asset retirement obligations:

As at,	**March 31, 2021**	December 31, 2020
Balance, beginning of period/year	**$ 5,844,000**	$ 5,704,000
Accretion expense	**36,000**	140,000
Balance, end of period/year	**$ 5,880,000**	$ 5,844,000

b) Information used in the calculation of obligations

The total inflated and undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is $11,222,000 (December 31, 2020 - $11,222,000), which has been inflated using inflation rates of 2% (December 31, 2020 - 2%). The total provision is calculated using discount rates of 2.45% (December 31, 2020 – 2.45%). The schedule of payments was determined by taking into account the reserves and resources that the Company considers highly likely to be able to convert into reserves of related mining properties and the estimated annual production level. The Company plans to settle these obligations during the financial year ending in 2038 for the Barry site and 2048 for the Mill.

c) Distribution of asset retirement obligations

The following table sets forth the changes in the asset retirement obligations:

As at,	**March 31, 2021**	December 31, 2020
Barry site	**$ 511,000**	$ 508,000
Mill	**5,369,000**	5,336,000
	$ 5,880,000	$ 5,844,000

(Expressed in Canadian Dollars)

19. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the three month period ended March 31, 2021
There was no activity during the three month period ended March 31, 2021.

During the year ended December 31, 2020
On December 9, 2020 and December 15, 2020, the Company closed tranches of a completed non-brokered private placement for gross proceeds of $15,000,000 through the issuance of 13,043,478 common shares (December 9 – 10,669,891 and December 15 – 2,373,587) of the Company at a price of $1.15 per common share. The underwriters received a cash fee of $317,250. Other share issue costs of $160,716 were incurred.

On March 19, 2020, the Company issued 15,000 common shares valued at $11,400 for exploration and evaluation expenditures (note 12(a)).

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

For the,	**Three Month Period Ended March 31, 2021**		Year Ended December 31, 2020	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period/year	**5,589,835**	**$ 3.10**	5,719,835	$ 3.15
Expired	**-**	**-**	(130,000)	$5.20
Outstanding, end of period/year	**5,589,835**	**$3.10**	5,589,835	$3.10

The following warrants were outstanding and exercisable as at March 31, 2021:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding
August 20, 2021	**0.39**	**$ 3.10**	**5,589,835**

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period. As at March 31, 2021, the Company had 4,524,089 (December 31, 2020 - 4,709,089) options remaining available for issuance under the plan.

The following is a summary of option transactions under the Company's stock option plan for the three month period ended March 31, 2021 and year ended December 31, 2020:

(Expressed in Canadian Dollars)

19. SHARE CAPITAL (Continued)

d) Stock options (Continued)

For the,	**Three Month Period Ended March 31, 2021**		Year Ended December 31, 2020	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period /year	**4,346,111**	**$ 1.72**	3,075,549	$ 2.29
Transactions during the year:				
Granted	**200,000**	**$ 1.54**	3,335,000	$ 1.54
Exercised	**-**	**-**	-	-
Expired	**(15,000)**	**$ 4.50**	(2,064,438)	$ 2.27
Outstanding, end of period/year	**4,531,111**	**$ 1.71**	4,346,111	$ 1.72
Exercisable, end of period/year	**4,522,361**	**$ 1.71**	4,328,611	$ 1.72

The following table provides additional information about outstanding stock options at March 31, 2021:

Range of Exercise Prices ($)	No. of Options Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Life (Years)	No. of Options Exercisable
1.54 - 2.00	4,485,000	1.65	3.47	4,476,250
5.50	40,097	5.50	1.12	40,097
15.60	6,014	15.60	1.45	6,014
1.54 – 15.60	**4,531,111**	**1.71**	**3.44**	**4,522,361**

Subsequent to March 31, 2021, and on April 12, 2021, 2,360,000 stock options were granted with an exercise price of $1.16 that vest immediately and expire on April 12, 2026 to various consultants, employees, officers and directors.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each option grant was calculated using the following weighted average assumptions:

	Three Month Period Ended March 31, 2021	Year Ended December 31, 2020
Expected life (years)	**4.48**	4.97
Risk-free interest rate	**0.46%**	0.38%
Expected annualized volatility	**60%**	68%
Dividend yield	**N/A**	N/A
Stock price at grant date	**$1.24**	$1.52
Exercise price	**$1.54**	$1.54
Weighted average grant date fair value	**$0.52**	$0.84

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

(Expressed in Canadian Dollars)

20. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Three month period ended,		March 31, 2021		March 31, 2020
Interest received	$	**15,830**	$	66,335
Interest paid	$	**(7,837)**	$	(14,493)

			Non-cash changes	
	December 31, 2020	**Cash Flows**	**Additions**	**March 31, 2021**
Long-term debt	**$ 720,658**	**$ (119,613)**	**$ -**	**$ 601,045**

			Non-cash changes	
	December 31, 2019	**Cash Flows**	**Additions**	**March 31, 2020**
Long-term debt	**$ 1,218,763**	**$ (124,147)**	**$ 30,960**	**$ 1,125,576**

21. SEGMENTED DISCLOSURE

The Company operates several exploration and evaluation properties in Quebec, as well as a past producing gold mine and mill that has been put on care and maintenance. These operating sites are managed separately given their different locations. The Company assesses the performance of each segment. Accounting policies for each segment are the same as those used for the preparation of the consolidated financial statements.

For the three month period ended March 31, 2021 and 2020, the Company's two operating segment were mining site care and maintenance and mineral exploration. All other costs are considered corporate administration costs.

Three month period ended March 31, 2021	**Mining Site**	**Exploration**	**Corporate**	**Total**
Mill Care and maintenance	**$ 277,650**	**$ -**	**$ -**	**$ 277,650**
Exploration and evaluation	**-**	**6,652,928**	**-**	**6,652,928**
Administration	**-**	**-**	**648,045**	**648,045**
Net loss	**$ 277,650**	**$ 6,652,928**	**$ 648,045**	**$ 7,578,623**

Three month period ended March 31, 2020	Mining Site	Exploration	Corporate	Total
Mill Care and maintenance	$ 336,175	$ -	$ -	$ 336,175
Exploration and evaluation	-	9,213,496	-	9,213,496
Recovery of flow-through premium liability	-	(1,493,000)	-	(1,493,000)
Administration	-	-	710,561	710,561
Net loss	$ 336,175	$ 7,720,496	$ 710,561	$ 8,767,232

22. COMMITMENTS AND CONTINGENT LIABILITIES

a) The Company had entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination and change of control, the officers and consultants are entitled to certain amounts payable.

As at March 31, 2021, the Company had three (December 31, 2020 – two) of these types of agreements with officers of the Company that totaled annual base fees of $505,000 and US$60,000 (December 31, 2020 – $505,000). In the case of termination, the officers are entitled to an amount equal to $505,000 and US$60,000 (December 31, 2020 – $505,000) and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to $505,000 and US$60,000 (December 31, 2020 – $505,000). During the year ended December 31, 2020, the Company terminated two of these four agreements that called for a payment in the amount of $565,000 in the case of termination and $890,000 in the case of a change of control of the Company, for cash payments of $445,000.

22. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

b) On September 9, 2013, the Ministry of Energy and Natural Resources of Quebec approved the update of the restoration plan of the Bachelor mine. The financial guarantee covering the restoration costs amount to $4,000,104 which has been covered by insurance bonds as at March 31, 2021 (note 10).

23. SUBSEQUENT EVENTS

Subsequent to March 31, 2021, and on April 7, 2021, the Company completed a brokered private placement for gross proceeds of $17,472,300. The Company issued (a) 2,350,000 common shares of the Company at a price of $1.05 per common share for gross proceeds of $2,467,500, and (b) 10,420,000 flow-through shares of the Company at a price of $1.44 per flow-through share for gross proceeds of $15,004,800.