DORÉ COPPER MINING

Consolidated Financial Statements

December 31 2020

(Stated in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Doré Copper Mining Corp.

Opinion

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

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

Basis for opinion

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

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on April 24, 2020.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dean Braunsteiner.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 22, 2021

DORÉ COPPER MINING

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

As at	December 31 2020 $	December 31 2019 $
ASSETS		
Current assets		
Cash and cash equivalents	**4,334,290**	8,152,018
Amounts receivable *[note 5]*	**483,084**	254,204
Prepaid expenses	**39,375**	156,572
Investments *[note 6]*	**792,031**	-
Total current assets	**5,648,780**	8,562,794
Non-current assets		
Equipment and leaseholds *[note 8]*	**10,350**	-
Mineral property interests *[note 9]*	**5,930,629**	5,930,629
Total non-current assets	**5,940,979**	5,930,629
Total assets	**11,589,759**	14,493,423
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**1,333,893**	1,414,996
Deferred premium on flow-through shares *[note 13]*	**75,150**	769,235
Total current liabilities	**1,409,043**	2,184,231
EQUITY		
Share capital *[note 13]*	**27,595,704**	21,253,502
Share purchase warrants *[note 13]*	**464,484**	212,685
Equity settled employee benefits *[note 13]*	**1,227,702**	850,691
Deficit	**(19,107,174)**	(10,007,686)
Total equity	**10,180,716**	12,309,192
Total liabilities and equity	**11,589,759**	14,493,423

Commitments [note 17]
Subsequent events [note 20]

See accompanying notes to the consolidated financial statements

These financial statements are authorized for issue by the Board of Directors on April 22, 2021.

They are signed on the Corporation's behalf by:

"Ernest Mast" Director

"Mario Stifano" Director

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CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

For the year ending December 31,

	2020	2019
	$	$
EXPENSES		
Consulting *[note 16]*	**330,716**	234,843
Depreciation *[note 8]*	**1,150**	-
Exploration and evaluation *[note 9]*	**8,284,007**	1,258,058
Flow-through interest penalty *[note 17]*	**15,914**	-
Interest *[note 10]*	**-**	132,640
Investor relations	**631,959**	254,421
Office expenses *[note 16]*	**175,300**	337,600
Professional fees	**281,464**	420,912
Share-based payments *[note 13]*	**377,011**	493,305
Shareholder communication costs	**102,643**	61,508
Travel and meetings	**31,187**	63,785
	10,231,351	3,257,072
Other income		
Interest income	**19,584**	-
Finance income	**12,031**	-
Loss before the following	**(10,199,736)**	(3,257,072)
Other items		
Listing costs *[note 12]*	**-**	(1,319,754)
Other income related to flow-through share premium *[note 13]*	**(1,100,248)**	-
Loss and comprehensive loss for the year	**(9,099,488)**	(4,576,826)
Basic and diluted loss per share *[note 14]*	**(0.30)**	(0.26)

See accompanying notes to the consolidated financial statements

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STATEMENT OF CASH FLOWS

(Stated in Canadian Dollars)

For the year ending December 31,

	2020 $	2019 $
OPERATING ACTIVITIES		
Loss for the year	**(9,099,488)**	(4,576,826)
Add charges to earnings not involving a current payment of cash		
Depreciation *[note 8]*	**1,150**	-
Share based payments *[note 13]*	**377,011**	493,305
Listing costs *[note 12]*	**-**	857,702
Finance income	**(12,031)**	-
Non-cash general and administrative expenses *[note 13]*	**-**	167,740
Non-cash exploration expenses *[note 13]*	**500,000**	286,000
Other income related to flow-through share premium *[note 13]*	**(1,100,248)**	-
	(9,333,606)	(2,772,079)
Changes in non-cash working capital balances related to operations		
Amounts receivable	**(228,880)**	(189,040)
Prepaid expenses	**117,197**	(151,572)
Accounts payable and accrued liabilities	**(81,103)**	1,316,928
Cash used in operating activities	**(9,526,392)**	(1,795,763)
INVESTMENT ACTIVITIES		
Purchase of equipment, net *[note 8]*	**(11,500)**	-
Purchase of investments *[note 6]*	**(780,000)**	-
Net cash acquired in reverse takeover *[note 7]*	**-**	362,495
Net cash acquired in CBay acquisition *[note 7]*	**-**	54,226
CBay acquisition transaction costs *[note 7]*	**-**	(114,529)
Cash used in investment activities	**(791,500)**	302,192
FINANCING ACTIVITIES		
Proceeds from shares issued in private placements *[note 13]*	**7,065,734**	9,491,701
Proceeds from credit facility *[note 10]*	**-**	1,070,667
Share issue costs *[note 13]*	**(565,570)**	(1,043,522)
Cash provided by financing activities	**6,500,164**	9,518,846
Increase (decrease) in cash and cash equivalents during the year	**(3,817,728)**	8,025,275
Cash and cash equivalents, beginning of period	**8,152,018**	126,743
Cash and cash equivalents, end of the year	**4,334,290**	8,152,018

See accompanying notes to the consolidated financial statements

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STATEMENT OF CHANGES IN EQUITY

(Stated in Canadian Dollars)

	Share Capital			Reserves			
Issued and outstanding:	Number of Shares	Share Capital	Shares subscribed	Equity Settled Employee Benefits	Agents Options	Deficit	Total Equity
			70,000				
Balance, January 01, 2019	14,580,000	4,409,980	70,000	319,719		(5,430,860)	(631,161)
Shares issued for consulting services *[note 13]*	204,395	181,429	(70,000)	-	-	-	111,429
Shares issued for CBay Minerals Inc. *[note 13]*	4,500,000	5,850,000	-	-	-	-	5,850,000
Private placement #1 *[note 13]*	3,861,983	5,020,578	-	-	-	-	5,020,578
Shares issued for settlement of related party loan *[note 13]*	1,484,700	1,930,110	-	-	-	-	1,930,110
Shares issued to settle vendor payable *[note 13]*	25,600	33,280	-	-	-	-	33,280
Shares issued for mineral property	220,000	286,000	-	-	-	-	286,000
Issuance of share capital and options as a part of the Reverse-Takeover *[note 13]*	833,333	1,083,333	-	37,667	13,111	-	1,134,111
Shares issued in flow-through private placement (first tranche) *[note 13]*	1,696,985	2,800,025	-	-	-	-	2,800,025
Shares issued in flow-through private placement (second tranche) *[note 13]*	1,168,600	1,671,098	-	-	-	-	1,671,098
Broker / finder warrants *[note 13]*	-	(199,574)	-	-	199,574	-	-
Share issue costs *[note 13]*	-	(1,043,522)	-	-	-	-	(1,043,522)
Share-based payments *[note 13]*	-	-	-	493,305	-	-	493,305
Flow-through share premium *[note 13]*	-	(769,235)	-	-	-	-	(769,235)
Loss and comprehensive loss for the period	-	-	-	-	-	(4,576,826)	(4,576,826)
Balance, December 31, 2019	**28,575,596**	**21,253,502**	**-**	**850,691**	**212,685**	**(10,007,686)**	**12,309,192**
Shares issued for mineral property *[note 13]*	400,000	500,000	-	-	-	-	500,000
Shares issued in flow-through private placement (first tranche) *[note 13]*	1,749,450	2,099,340	-	-	-	-	2,099,340
Shares issued in flow-through private placement (second tranche) *[note 13]*	912,622	1,022,137	-	-	-	-	1,022,137
Shares issued in private placement *[note 13]*	5,800,378	3,944,257	-	-	-	-	3,944,257
Broker / finder warrants *[note 13]*	-	(251,799)	-	-	251,799	-	-
Share issue costs *[note 13]*	-	(565,570)	-	-	-	-	(565,570)
Share-based payments *[note 13]*	-	-	-	377,011	-	-	377,011
Flow-through share premium *[note 13]*	-	(406,163)	-	-	-	-	(406,163)
Loss and comprehensive loss for the year	-	-	-	-	-	(9,099,488)	(9,099,488)
Balance, December 31, 2020	**37,438,046**	**27,595,704**	**-**	**1,227,702**	**464,484**	**(19,107,174)**	**10,180,716**

See accompanying notes to the consolidated financial statements

DORÉ COPPER MINING

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

For the years ending December 31, 2020 and 2019

1. NATURE OF BUSINESS

Doré Copper Mining Corp. (the "Corporation" or "Doré"), (formerly AmAuCu Mining Corporation ("AmAuCu")), was incorporated under the laws of Canada on April 11, 2017, and through its 100% owned subsidiary, CBay Minerals Inc. ("CBay") owns an interest in mineral properties located in Chibogamou, Quebec, for the purposes of exploration and evaluation. The Corporation's office is located at 130 King St. W., Suite 1800, Toronto, Ontario, M5X 1E3.

On December 13, 2019, the Corporation completed a reverse takeover transaction (the "Transaction" or "Qualifying Transaction"), pursuant to which AmAuCu amalgamated with a wholly owned subsidiary of ChaiNode Opportunities Corporation ("ChaiNode"), and was subsequently renamed Doré Copper Mining Corporation (see note 10). The Corporations common shares were subsequently listed on the Toronto Stock Venture Exchange ("TSX-V") and began trading under the symbol "DCMC" on December 17, 2019.

The Corporation, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility and there is no assurance management will be successful in its endeavours. At December 31, 2020, the Corporation has no source of operating cash flows. The Corporation incurred a net loss of $9,099,488 for the year ended December 31, 2020 (December 31, 2019 - $4,576,826) and has accumulated a deficit of $19,107,174 since the inception of the Corporation. As at December 31, 2020, the Corporation had working capital of $4,239,737 (December 31, 2019 – working capital $6,378,563) and the Corporation's ability to continue is dependent upon its ability to raise additional capital to continue the development of its mineral properties. During the year ended December 31, 2020, the Corporation raised gross proceeds of $7,065,734 (2018 - $9,491,701) through private placements of shares and warrants and the granting of direct interests in its mineral properties.

Recent events

COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long or indefinite periods of time. Global stock markets also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has adpated its operations to mitigate the impact of the the COVID-19 outbreak and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Corporation works while continuing to operate. Currently, fieldwork has resumed on all of our projects, while all corporate personnel travel is still restricted to absolute minimum requirements and employees have been encouraged to work remotely where possible. With respect to our operations on work locations in Quebec, we have implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Corporation. We expect that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The consolidated financial statements of the Corporation for the year ended December 31, 2020 were authorized by the Board of Directors on April 22, 2021.

Basis of consolidation

The Corporation's consolidated financial statements consolidate those of its 100% owned subsidiary, CBay Minerals Inc. All transactions and balances between the Corporation and its subsidiary are eliminated on consolidation, including unrealized gains and losses on transactions between the companies.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Corporation become party to the contracts that gives rise to them and are classified as amortized cost, fair value through profit or loss or fair value through other comprehensive income ("FVOCI"), as appropriate. The Corporation considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at fair value through profit or loss and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income. A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of earnings. The election is available on an investment-by-investment basis.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, amounts receivable and certain other assets are classified as and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in net earnings when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities, promissory notes, and credit facilities are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in net earnings.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models. Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from 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); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

At each balance sheet date, on a forward-looking basis, the Corporation assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12- month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Corporation has transferred its rights to receive cash flows from the asset, the Corporation will assess whether it has relinquished control of the asset or not. If the Corporation does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in net earnings.

Exploration and evaluation

The Corporation has adopted the policy of capitalizing acquisition costs and expensing exploration costs such as costs related to drilling, geophysical studies, property work, assaying and periodic maintenance costs incurred prior to the determination that a property has economically recoverable reserves.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Share capital represents the fair value of consideration received. Equity instruments are contracts that give a residual interest in the net assets of the Corporation. Financial instruments issued by the Corporation are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Corporation’s common shares, reserves, share options and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, options or warrants are shown in equity as a deduction, net of tax, from the proceeds.

The Corporation may periodically issue units to investors consisting of common shares and warrants in non-brokered private placements. Each whole warrant issued entitles the holder to acquire a common share of the Corporation, at a fixed Canadian dollar price over a specified term. These warrants are not transferable from the original investor to a new investor. The Corporation’s investor warrants are equity instruments and not financial liabilities or financial derivatives. Accordingly, gross investor proceeds received from the issuance of units are accounted for as an increase in share capital. No separate valuation (i.e. “bifurcation”) of investor warrants is made for accounting purposes at the time of issuance or at any time thereafter.

The Corporation periodically issues warrants as additional consideration in a brokered financing or purchase transaction. Each whole warrant issued entitles the holder to acquire a common share of the Corporation, at a fixed dollar price over a specified term. These warrants are considered equity instruments and recorded as share issue costs.

When investor or other warrants are exercised, the proceeds received are added to share capital. When investor or other warrants expire unexercised, no accounting entry is recorded.

Share-based payment transactions

The Corporation operates equity-settled share-based remuneration plans for its employees, directors and consultants. None of the Corporation's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is determined at the grant date.

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to 'reserves'.

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

Income taxes

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

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

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

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilised against future taxable income. To the extent that the Corporation does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Contingent liabilities are not recognized in the financial statements, if not estimable and probable, and are disclosed in notes to the financial information unless their occurrence is remote. Contingent assets are not recognized in the financial statements, but are disclosed in the notes if their recovery is deemed probable.

Environmental rehabilitation

Provisions for environmental rehabilitation are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted using a pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over future production from the mining property to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates and operating lives. Changes to estimated future costs are recognized in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expenses. For closed sites, changes to estimated costs are recognized immediately in the profit and loss.

Loss per share

The Corporation presents loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

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NOTES TO FINANCIAL STATEMENTS

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Flow through shares

Under Canadian income tax legislation, a company's permitted to issue flow through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Corporation allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in deferred tax expense. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Significant accounting judgements and estimates

In the application of the Corporation's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

<u>Significant estimates</u>

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant estimates include:

i. the inputs used in accounting for share purchase option expense in the statement of loss and comprehensive loss;

ii. the inputs used in accounting for value of warrants in the statement of financial position;

3. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies adopted in the preparation of these financial statements have been prepared on the basis of all IFRS and interpretations effective as at December 31, 2020.

Accounting standards issued and effective January 1, 2020

- Amendments to IFRS 3, *Business Combinations*, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The Corporation has reviewed the amendments and their impact on the financial statements for the annual period beginning on January 1, 2020, and has determined that there is no material impact or disclosures required.

  The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.The Corporation has reviewed the amendments and their impact on the financial statements for the annual period beginning on January 1, 2020, and has determined that there is no material impact or disclosures required.

- Amendments to IAS 1, *Presentation of Financial Statements*, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS standards and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Corporation has reviewed the amendments and their impact on the financial statements for the annual period beginning on January 1, 2020, and has determined that there is no material impact or disclosures required.

4. FUTURE CHANGES IN ACCOUNTING POLICIES

The following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. The Corporation is currently assessing the impact of adopting the following standards on the consolidated financial statements, as described below:

- *IAS 1 – Presentation of Financial Statements*

  On January 23, 2020, the IASB issued an amendment to IAS 1 *Presentation of Financial Statements* providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non- current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Corporation is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

- *IAS 16 – Property, Plant and Equipment*

  On May 14, 2020, the IASB issued an amendment to IAS 16 *Property, Plant and Equipment* to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The Corporation is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

- *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*

  On May 14, 2020, the IASB issued an amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Corporation has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The Corporation is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

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5. AMOUNTS RECEIVABLE

	2020	2019
	$	**$**
Recoverable taxes (i)	**335,330**	215,988
Mining tax credits (ii)	**-**	38,216
Other receivables (iii)	**147,754**	-
	483,084	254,204

(i) Recoverable taxes include Canadian harmonized sales tax receivable and the Quebec sales tax receivable.
(ii) Mining tax credit receivable includes amounts recoverable from Revenu Quebec related to the mining tax credits.
(iii) Other Receivables include amounts related to exploration work performed on the portion of the Joe Mann property that is part of the agreement with Soquem whereby the Corporation is reimbursed for 35% of the exploration costs (collected subsequent to year end).

6. SHORT-TERM INVESTMENTS

As at December 31, 2020 the Corporation's subsidiary, CBay, held $772,031 in a guaranteed investment certificate maturing February 16, 2021 at a yield of 1.80%, and $20,000 in a guaranteed investment certificates maturing March 2, 2021 yielding 1.10%.

7. ASSET ACQUISITION

Acquisition of CBay Minerals Inc.

On May 30, 2019 and May 31, 2019, the Corporation entered into a series of transactions with Ocean Partners Investments Limited ("Ocean Partners") and CBay Minerals Inc. to complete the acquisition of all of the outstanding CBay shares in exchange for the issuance of 4,500,000 common shares and the issuance of promissory notes in the aggregate amount of $7,500,000.

Purchase price allocation

The Corporation has determined that CBay did not meet the definition of a business under IFRS 3, Business Combinations, and as such has been accounted for as an asset acquisition. The cost of an acquisition should be based on the fair value of consideration given, except where the fair value of the consideration given is not clearly evident. In such a case, the fair value of the net assets acquired is used. The promissory notes issued as part of the transaction are considered a financial liability under IFRS 9, and are initially measured at fair value with subsequent measurement at amortised cost. Given the lack of certainty at this time as to whether the Corporation will reach the operational and economic milestones needed to achieve commercial production, and the estimated timeline to do so, the notes currently have nominal or no fair value (see note 11). As a result, the promissory notes have not been included in the purchase consideration below.

NOTES TO FINANCIAL STATEMENTS

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The fair value of consideration given, totaling $5,964,529 has been allocated as follows:

	$
Cash	54,226
Accounts receivable	60,253
Accounts payable	(80,579)
Mineral property interests	5,930,629
Total net assets to be allocated	5,964,529
Purchase consideration:	
4,500,000 common shares issued *[note 13]*	5,850,000
Transaction costs	114,529
Total net assets to be allocated	5,964,529

8. EQUIPMENT

Cost

	Field equipment **$**
Balance, January 1, 2020	-
Assets acquired	11,500
Balance, December 31, 2020	11,500

Accumulated depreciation	
Balance, January 1, 2020	-
Depreciation for the period	1,150
Balance, December 31, 2020	1,150

Carrying amounts

December 31, 2020	**10,350**

NOTES TO FINANCIAL STATEMENTS

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9. MINERAL PROPERTIES

Acquisition costs

	Cedar Bay $	Corner Bay $	Other properties $	December 31, 2020 $	December 31, 2019 $
CBay acquisition costs**	**2,075,500**	**3,592,529**	**262,600**	**5,930,629**	5,930,629

** The acquisition costs have been allocated to the separate mineral properties based management's assessment of the economic valuations of the properties at the time of acquisition.

Mineral property acquisitions and agreements

Chibougamou, Quebec

Interest in Cedar Bay / Corner Bay and Other properties through acquisition of CBay

The main assets include the Corner Bay deposit, the Cedar Bay past producing mine, the Copper Rand past producing mine, the Devlin deposit, the Copper Rand mill and tailings management facility. Other deposits include the Lac Doré deposit, and various exploration targets on Portage Island. As a result of the acquisition of CBay, the Corporation has recorded Mineral Property Interest of $5,930,629 (see Note 7 - Asset Acquisition).

Cornerback Property (included in "Other Properties")

On September 7, 2017 (the "Effective Date"), the Corporation entered into an Option Agreement (the "Agreement") with VanadiumCorp Resource Inc. ("Vanadium") to acquire up to a 100% interest in the Cornberback property (the "Property) located in Quebec.

Pursuant to the agreement, the Corporation can acquire an 80% undivided interest in the Property by (the "First Option"):

(a) making payments of an aggregate of $250,000 to Vanadium as follows:

i) $50,000 in cash on Effective Date (paid);
ii) an additional $50,000 in cash on or prior to the date that is the 12 months from the Effective Date (paid); and
iii) an additional $50,000 in cash on or prior to the date that is the 24 months from the Effective Date (paid); and
iv) an additional $50,000 in cash on or prior to the date that is the 36 months the Effective Date (paid); and

(b) incurring an aggregate of $500,000 in expenditures on the Property on or before the date that is 36 months from the Effective Date (completed).

The Corporation having exercised the First Option and acquired an 80% undivided interest in the Property, free and clear of any encumbrances, the Corporation has the additional exclusive right and option exercisable at any time prior to September 6, 2021, to acquire an additional 20% undivided interest in the Property by paying $50,000 in cash to Vanadium on or before September 6, 2021.

Acquisition of mineral claims

Option agreement to acquire Joe Mann property

On January 2, 2020, the Corporation entered into an option agreement to acquire a 100% interest in the Joe Mann gold mine ("Joe Mann") located in Québec. The Corporation entered into an option agreement with the owners of Joe Mann, Ressources Jessie Inc. ("Ressources Jessie") and Legault Metals Inc. ("Legault"), to acquire a 100% interest in Joe Mann on the following terms:

- A cash payment of $1,000,000 to Ressources Jessie and 400,000 common shares of Doré Copper ("Doré Copper Shares") were issued to Legault at a deemed price of $1.25 per share on January 2, 2020 (the "Joe Mann Effective Date") (paid).
- A cash payment of $250,000 to Ressources Jessie and $500,000 in Doré Copper Shares to be issued to Legault on the first anniversary of the Joe Mann Effective Date (paid subsequent to year end, see note 20).
- A cash payment of $1,000,000 to Ressources Jessie upon completion of 5,000 meters of drilling at Joe Mann or on the earlier of the second anniversary of the Joe Mann Effective Date or 18 months from the commencement of drilling.
- A cash payment of $500,000 to Ressources Jessie and $500,000 in Doré Copper Shares to be issued to Legault on the second anniversary of the Joe Mann Effective Date.
- A cash payment of $1,500,000 to Ressources Jessie and $1,000,000 in Doré Copper Shares to be issued to Legault on the third anniversary of the Joe Mann Effective Date.
- Spending $2,500,000 in qualifying exploration expenditures before the third anniversary of the Joe Mann Effective Date.
- A cash payment of $1,000,000 to Ressources Jessie and $1,500,000 in Doré Copper Shares to be issued to Legault upon the commencement of commercial production at Joe Mann.
- A 2% net smelter return royalty will be granted to Ressources Jessie and the Corporation will hold the option to buy back 1% for $2,000,000 and buy back a further 0.5% for $4,000,000.

2019

In relation to the acquisition of certain mineral claims in Chibougamou, Quebec, on December 13, 2019, the Corporation issued 220,000 common shares at a price of $1.30, representing a gross value of $286,000. Included in this agreement is a 2% Net Smelter Return Royalty (the "NSR") granted to the seller, on production from the Mining Claim to be paid at the seller's option either in cash or in kind. The NSR shall be assignable. In respect of this NSR, the Corporation agrees to pay an amount of $30,000 per year as a Minimum Advance Royalty, commencing in the third year following the acquisition of the Mining Claim by the Corporation and payable on the second anniversary date of the closing of this acquisition and payable for so long as the Corporation or its successor or affiliate owns the Mining Claim. These Minimum Advance Royalty payments shall be a credit against the NSR payable.

10. CREDIT FACILITIES

Credit facility with Ocean Partners USA Inc.

On November 28, 2018, the Corporation entered into a Loan Agreement with Ocean Partners USA Inc. (the "Lender") whereby the Corporation would have access to a credit facility for funding general working capital purposes up to $725,000, maturing February 28, 2019 (date of maturity extended indefinitely by mutual agreement). This Loan Agreement was amended February 22, 2019 to increase the credit facility to a total of $1,130,000; amended May 24, 2019 to increase the credit facility to a total of $1,500,000; and further amended August 1, 2019 to increase the credit line to a total of $1,800,000. As of December 12, 2019, the Corporation had been advanced funds totaling $1,770,667, which when combined with interest and lenders fees since inception of $159,443, brought to total owed under the facility to $1,930,110. On December 12, 2019, by mutual agreement the total outstanding credit facility to Ocean Partners USA Inc. of $1,930,110 was settled through the issuance of 1,484,700 common shares.

11. PROMISSORY NOTES

In relation to the acquisition of CBay, the Corporation issued promissory notes to Ocean Partners, a related party, in the aggregate amount of $7,500,000, plus accrued interest. These promissory notes are considered a financial liability under IFRS 9 and are initially measured at fair value with subsequent measurement at amortised cost. The obligations of the Corporation under the promissory notes are guaranteed by CBay with such guarantee secured against the property and assets of CBay. Each of the promissory notes bear interest at a rate of 6% per annum, with $1,000,000 maturing on the commencement of commercial production, $2,000,000 maturing on the first anniversary of the commencement of commercial production, $2,000,000 maturing on the second anniversary of the commencement of commercial production, and $2,500,000 maturing on the third anniversary of the commencement of commercial production. The settlement of the obligation, both principal and interest, is contingent upon the timing of commencement of commercial production. Given the lack of certainty at this time as to whether the Corporation will reach the operational and economic milestones needed to achieve commercial production, and the estimated timeline to do so, the notes currently have nominal or no fair value. The Corporation reassesses the amount, timing and probability of future cash flows at each reporting period to determine any required adjustments to the amortised cost balance of $Nil. As at December 31, 2020, no adjustment has been made.

12. REVERSE TAKE-OVER AND AMALGAMATION

On December 13, 2019, the Corporation completed a business combination transaction with ChaiNode pursuant to which ChaiNode acquired all of the issued and outstanding securities of the Corporation constituting ChaiNode's Qualifying Transaction (within the meaning of the policies of the TSX Venture Exchange). Prior to the completion of the Qualifying Transaction, ChaiNode effected a consolidation of its outstanding common shares on the basis of one post-consolidation common share for every 10.8 pre-consolidation common shares, and continued under the *Canada Business Corporations Act*.

The Qualifying Transaction was completed by way of a three-cornered amalgamation (the "Amalgamation") involving the Corporation, ChaiNode and a wholly-owned subsidiary of ChaiNode ("Subco"), pursuant to which, among other things, (i) AmAuCu amalgamated with Subco, incorporated for the purposes of the Amalgamation, pursuant to the provisions of the *Canada Business Corporations Act*, and (ii) all of the outstanding AmAuCu common shares immediately prior to the Qualifying Transaction were cancelled and, in consideration therefore, the holders thereof received post-consolidation common shares of ChaiNode ("ChaiNode Shares") on the basis of one ChaiNode Share for each AmAuCu common share (the "Exchange Ratio").

Immediately following completion of the Amalgamation, the corporation resulting from the Amalgamation completed a vertical short form amalgamation with AmAuCu's wholly-owned subsidiary, CBAY Minerals Inc., to form a new corporation which will continue under the name "CBAY Minerals Inc." as a wholly-owned subsidiary of ChaiNode.

On the business day immediately prior to the completion of the Amalgamation, each of the 3,861,983 Subscription Receipts issued by AmAuCu on November 4, 2019 (the "Private Placement") (see note 13) were automatically converted, without payment of additional consideration or any further action by the holders thereof, into one Unit in accordance with their terms. Each Unit was comprised of one Common Share and one-half of one Warrant.

At the effective time of the Amalgamation, among other things, outstanding AmAuCu common shares (including those AmAuCu common shares comprising the Units issued upon the automatic conversion of the Subscription Receipts) and Warrants were exchanged for ChaiNode Shares and common share purchase warrants of ChaiNode ("ChaiNode Replacement Warrants"), respectively, on the basis of the Exchange Ratio. Each ChaiNode Replacement Warrant entitles the holder thereof to acquire one ChaiNode Share at a price of $1.95 per ChaiNode Share at any time on or before November 4, 2021. In addition, at the effective time of the Amalgamation, 188,260 broker warrants of AmAuCu issued in connection with the Private Placement were exchanged for broker warrants of ChaiNode ("ChaiNode Replacement Broker Warrants") on the basis of the Exchange Ratio. Each ChaiNode Replacement Broker Warrant entitles the holder thereof to acquire one

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ChaiNode Share at a price of $1.30 per ChaiNode Share at any time on or before December 13, 2021. Additionally, ChaiNode stock option holders were issued replacement options on the same consolidation basis as the common shares and under the same terms of the original grant. The pre-Transaction options, totaling 900,000 immediately prior to the Transaction, were subject to adjustment based on an exchange ratio of 10.8 pre-transaction options to 1 Resulting Issuer option (the "Doré Exchange Ratio"), amounting to a total of 83,33 Resulting Issuer options, with an expiry date of December 13, 2020, and an exercise price of $1.08.

The substance of the Transaction is a reverse acquisition of a non-operating company. The Transaction does not constitute a business acquisition as ChaiNode does not meet the definition of a business under IFRS 3. As a result, the Transaction is accounted for as a capital transaction with AmAuCu being identified as the accounting acquirer and the equity consideration being measured at fair value. Upon completion of the Transaction, ChaiNode changed its name to Doré Copper Mining Corporation.

The fair value of the equity consideration paid as part of the Transaction has been allocated as follows:

Consideration transferred:			
Common shares issued	(1)	$	**1,083,333**
Estimated fair value of replacement options	(2)		**37,667**
Estimated fair value of replacement warrants	(3)		**13,111**
Total consideration transferred		$	**1,134,111**
Net assets acquired:			
Cash		$	**362,495**
Accounts receivable			**3,084**
Accounts payable and accrued liabilities			**(89,170)**
Net asset value		$	**276,409**
Excess of consideration over fair value of net assets recognized as listing expense in the period ending December 31, 2019		$	**857,702**
Professional fees incurred related to the Transaction incurred in in the period ending December 31, 2019	(4)	$	**462,052**
Total listing fees incurred in in the period ending December 31, 2019		$	**1,319,754**

1. The fair value of the 833,333 common shares issued to pre-Transaction Doré shareholders is $1,083,333 based on a fair value of $1.30 per common share.

2. The pre-Transaction Doré stock option holders were issued replacement options of the Resulting Issuer on the same consolidation basis as the common shares and under the same terms of the original grant. The pre-Transaction Doré options, totaling 900,000 immediately prior to the Transaction, were subject to adjustment based on an exchange ratio of 10.8 pre-transaction options to 1 Resulting Issuer option (the "Doré Exchange Ratio"), amounting to a total of 83,333 Resulting Issuer options.

   The estimated fair value of the 83,333 stock options to be issued to pre-Transaction Doré option holders is $37,667, which is based on the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	1.76%
Annualized volatility*	69.04%
Expended dividend yield	0%
Expected option life	1 year
Share price	$1.30
Exercise price	$1.08
Expected forfeiture rate	Nil

* Volatility calculated based on the volatility of comparative companies.

(Stated in Canadian Dollars)

3. The pre-Transaction Doré warrant holders were issued replacement warrants of the Resulting Issuer on the same consolidation basis as the common shares and under the same terms of the original grant. The pre-Transaction Doré warrants, totaling 300,000 immediately prior to the Transaction, were subject to adjustment based on Doré Exchange Ratio, amounting to a total of 27,778 Resulting Issuer warrants.

   The estimated fair value of the 27,778 warrants to be issued to pre-Transaction Doré warrant holders is $13,111, which is based on the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	1.78%
Annualized volatility*	70.13%
Expended dividend yield	0%
Expected option life	1.10 years
Share price	$1.30
Exercise price	$1.08

* Volatility calculated based on the volatility of comparative companies.

4. As part of the Transaction, the Corporation incurred total transaction costs of $462,052. The Corporation analyzed the transaction costs and concluded that they were incurred in relation to obtaining the listing and were thus included as part of listing expense.

13. SHARE CAPITAL

i. Authorized

The Corporation is authorized to issue an unlimited number of common shares.

ii. Details of share issuances

2020

Issued and outstanding:		**# of shares**	**Share price**
Opening balance, January 1, 2019		**14,580,000**	
Shares issued for consulting services	(a)	**142,857**	**0.70**
Shares issued for acquisition of CBay Minerals Inc.	(b)	**4,500,000**	**1.30**
Shares issued pursuant to private placement	(c)	**3,861,983**	**1.30**
Shares issued to settle credit facility	(d)	**1,484,700**	**1.30**
Share issued to settle vendor payable	(e)	**25,600**	**1.30**
Shares issued for mineral properties	(f)	**220,000**	**1.30**
Shares issued in relation to consulting services	(g)	**61,538**	**1.30**
Issuance of shares to Doré's shareholders pursuant to Transaction	(h)	**833,333**	**1.30**
Shares issued in flow-through private placement (first tranche)	(i)	**1,696,985**	**1.65**
Shares issued in flow-through private placement (second tranche)	(i)	**1,168,600**	**1.43**
Balance, December 31, 2019		**28,575,596**	
Shares issued for mineral property	(j)	**400,000**	**1.25**
Shares issued in flow-through private placement (first tranche)	(k)	**1,749,450**	**1.20**
Shares issued in flow-through private placement (second tranche)	(k)	**912,622**	**1.12**
Shares issued in private placement (initial tranche)	(l)	**5,800,378**	**0.68**
Balance, December 31, 2020		**37,438,046**	

(a) In 2018, AmAuCu entered into an agreement for investor relations services and agreed to issue common shares as compensation. On March 14, 2019, the Corporation issued 142,857 shares at a price of $0.70 per share, for a value of $100,000.

(b) On May 31, 2019, AmAuCu issued 4,500,000 common shares at a price of $1.30 for a total value of

$5,850,000 in relation to the acquisition of CBay Minerals Inc.

(c) Prior to completion of the Qualifying Transaction, AmAuCu completed a brokered private placement of 3,861,983 Subscription Receipts at a price of $1.30 per AmAuCu subscription Receipt for gross proceeds of $5,020,578. Each AmAuCu Subscription Receipt was automatically converted into one unit comprised of one AmAuCu share and one-half of one common share purchase warrant of AmAuCu. Following the completion of the RTO, the holders of these warrants were issued share purchase warrants of Doré under the same terms.

Each Doré Warrant entitles the holder to acquire one Doré Share at a price of $1.95 per share at any time on or before November 4, 2021.

In consideration for their services in connection with the AmAuCu Private Placement, AmAuCu paid the agents a cash commission equal to 7.0% of the aggregate gross proceeds from the sale of AmAuCu subscription Receipts (or 3.5% of aggregate gross proceeds from the sale of AmAuCu Subscription Receipts to purchasers identified by AmAuCu to the agents). As additional consideration, the agents were granted non-transferable broker warrants of AmAuCu equal to 7.0% of the aggregate gross proceeds from the sale of AmAuCu subscription Receipts (or 3.5% of aggregate gross proceeds from the sale of AmAuCu Subscription Receipts to purchasers identified by AmAuCu to the agents). Following the RTO, the broker warrants were converted to broker warrants of Doré and each broker warrant entitles the holder to acquire one Doré common share at a price of $1.30 per share at any time on or before December 13, 2021. AmAuCu paid a cash commission of $633,892 in connection with the deal. The fair value of the broker warrants issued as commission was $188,260.

The net proceeds of the brokered private placement was $4,386,686. The entire amount of the proceeds have been allocated to the common shares.

(d) In consideration for the settlement of the credit facility with Ocean Partners Investments Ltd., totaling $1,930,110, the Corporation issued 1,484,700 common shares valued at $1.30 per share (see note 10).

(e) In consideration for services provided and in lieu of receipt of cash, certain vendors have settled outstanding obligations though the receipt of 25,600 common shares, at a price of $1.30, totaling $33,280.

(f) In relation to the acquisition of certain mineral claims, the Corporation issued 220,000 common shares at a price of $1.30, representing a gross value of $286,000.

(g) Included in the private placement were 61,538 shares valued at $80,000 issued for consulting services.

(h) The estimated fair value of the 833,333 common shares to be issued to previous Doré shareholders is $1,083,333. This estimated fair value of $1.30 per common share is based on the value of common shares issued by AmAuCu in private placements with third parties.

(i) On December 30, 2019, the Corporation completed a brokered private placement (the "Offering"), pursuant to which the Corporation sold an aggregate of 2,865,585 common shares in the capital of the Corporation that qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada) and, in relation to common shares issued to residents in Québec, section 359.1 of the Taxation Act (Québec) (collectively, the "Flow-Through Shares"), for aggregate gross proceeds of $4,471,123. The Flow-Through Shares were issued in two tranches with the first tranche consisting of 1,696,985 Flow-Through Shares issued to residents of Québec at a price of $1.65 per Flow-Through Share for aggregate gross proceeds of $2,800,025 and the second tranche consisting of 1,168,600 Flow-Through Shares issued to residents outside of Québec at a price of $1.43 per Flow-Through Share for aggregate gross proceeds of $1,671,098. A deferred flow-through premium liability of $769,235 was recognized on completion of the Offering based on the difference between the market value of the common shares and the share issue price.

In consideration for its services in connection with the closing of the final tranche of the Offering, the Corporation paid the Agent a cash commission equal to 7% of the aggregate gross proceeds from the sale of Flow-Through Shares, and a reduced cash commission equal to 3.5% to 4.25% of the aggregate gross proceeds from the sale of Flow-Through Shares to certain purchasers. As additional consideration for its services in connection with the closing of the final tranche of the Offering, the Corporation issued the Agent non-transferable broker warrants of the Corporation ("Broker Warrants") equal to 7% of the aggregate number of Flow-Through Shares issued. Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of $1.43 per share expiring between December 23, 2021 and December 30, 2021. The Corporation paid cash commissions of $322,859, and other fees of $85,341, totaling $408,200. The fair value of the broker warrants issued was $98,478.

On December 30, 2019, the Corporation entered into back-to-back agreements with its subsidiary, CBay whereby CBay subscribed for common shares that are "flow-through shares" (as defined in the *Income Tax Act* (Canada)) of the Corporation for an aggregate purchase price of $4,471,123. CBay then agreed to incur and renounce CEE equal to $4,471,123 to Doré on or before December 31, 2020 (the Corporation has fulfilled its obligation in respect of these flow-through shares, see note 17).

(j) On January 2, 2020, the Corporation issued 400,000 common shares at a price of $1.25 in relation to the option agreement for the Joe Mann property (see note 9).

(k) On August 25, 2020, the Corporation completed a "best efforts" brokered private placement (the "Offering"), pursuant to which the Corporation sold an aggregate of 2,662,072 common shares in the capital of the Corporation that will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and, in relation to common shares issued to residents in Québec, section 359.1 of the *Taxation Act* (Québec) (collectively, the "Flow-Through Shares"), for aggregate gross proceeds of $3,121,476.64, including partial exercise of the agents' option. The Flow-Through Shares were issued in two tranches with the first tranche consisting of 1,749,450 Flow-Through Shares issued to residents of Québec at a price of $1.20 per Flow-Through Share for aggregate gross proceeds of $2,099,340 and the second tranche consisting of 912,622 Flow-Through Shares issued to residents outside of Québec at a price of $1.12 per Flow-Through Share for aggregate gross proceeds of $1,022,136.64.

In consideration for their services in connection with the Offering, the Corporation paid the Agents a cash commission equal to 6% of the aggregate gross proceeds from the sale of Flow-Through Shares, and a reduced cash commission equal to 3% of the aggregate gross proceeds from the sale of Flow-Through Shares to certain purchasers. As additional consideration for their services in connection with the closing of the Offering, the Corporation issued the Agents non-transferable broker warrants of the Corporation ("Broker Warrants") equal to 6% of the aggregate number of Flow-Through Shares issued. Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of $1.12 per share until August 25, 2022.

In addition, Leede Jones Gable Inc. acted as a finder (the "Finder") in connection with the Offering. In consideration for acting as a finder in connection with the Offering, the Corporation paid the Finder a cash commission of $341,681, equal to 3% of the aggregate gross proceeds from the sale of Flow-Through Shares arranged by the Finder and issued the Finder Broker Warrants equal to 3% of the aggregate number of Flow-Through Shares issued to purchasers arranged by the Finder on the same terms as the Broker Warrants issued to the Agents. The cash commission payable and the Broker Warrants issuable to the Agents on the sale of Flow-Through Shares arranged by the Finder was reduced accordingly.

(l) On December 23, 2020 the Corporation closed an initial tranche of its non-brokered private placement (the "Offering"), pursuant to which the Corporation sold an aggregate of 5,800,378 common shares in the capital of the Corporation ("Offered Shares") at a price of $0.68 per Offered Share for aggregate gross proceeds of $3,944,257.04.

Cormark Securities Inc., Paradigm Capital Inc., Haywood Securities Inc. and Red Cloud Securities Inc. acted as finders (each, a "Finder") in connection with the initial tranche of the Offering. In consideration for acting as a finder in connection with the initial tranche of the Offering, the Corporation paid $223,889 in cash finder's fees to the Finders, representing 6% of the gross proceeds of the Offered Shares that were sold to subscribers introduced by such parties, and issued an aggregate of 329,249 non-transferable warrants (the "Finder's Warrants") to purchase common shares in the capital of the Corporation (the "Finder's Warrant Shares") to the Finders, representing 6% of the Offered Shares that were sold to subscribers introduced by such parties, with each Finder's Warrant being exercisable for one Finder's Warrant Share at a price of $0.68 per Finder's Warrant Share until December 23, 2022.

(Stated in Canadian Dollars)

ii. Warrants

The following table reflects the continuity of warrants as at December 31, 2020:

Issued and outstanding:		**# of share warrants**	**Weighted average exercise price**	**Fair value**	**Expiry date**
Balance, January 1 2019		-	-	-	
Share warrants issued pursuant to conversion of subscription receipts and private placement	(a)	1,930,990	1.95	-	11/4/2021
Replacement warrants issued pursuant to conversion of subscription receipts and private placement	(b)	27,777	1.08	13,111	1/18/2021
Broker warrants issued pursuant to conversion of subscription receipts and private placement	(c)	188,259	1.30	101,095	12/13/2021
Broker warrants issued pursuant to flow-through private placement (tranche 1)	(d)	135,807	1.43	68,175	12/23/2021
Broker warrants issued pursuant to flow-through private placement (tranche 2)	(d)	61,844	1.43	30,304	12/30/2021
Balance, December 31, 2019		**2,344,677**		**212,685**	
Broker warrants issued pursuant to flow-through private placement	(e)	151,804	1.12	73,017	8/25/2022
Broker warrants issued pursuant to private placement (initial tranche)	(f)	329,249	0.68	178,782	12/23/2022
Balance, December 31, 2020		**2,825,730**	**-**	**464,484**	

(a) These warrants were issued as a part of the transactions described in note 12. The Corporation has adopted the policy of not bifurcating the value of share-purchase warrants separately and as such no allocation has been completed.

(b) These warrants were issued as a part of the transactions described in note 12.

(c) These warrants were issued as a part of the transactions described in note 12.

(d) As additional consideration for its services in connection with the closing of the Flow-Through Share Offering, the Corporation issued the Agent non-transferable broker warrants of the Corporation (“Broker Warrants“) equal to 7% of the aggregate number of Flow-Through Shares issued. Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of $1.43 per share expiring between December 23, 2021 and December 30, 2021.

(e) As additional consideration for services in connection with the closing of the Flow-Through Share Offering on August 25, 2020, the Corporation issued the Agents non-transferable broker warrants of the Corporation (“Broker Warrants“) equal to 6% of the aggregate number of Flow-Through Shares issued. Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of $1.12 per share expiring August 25, 2022.

(f) As additional consideration for services in connection with the closing of the initial tranche of the Private Placement Offering on December 23, 2020, the Corporation issued the Agents non-transferable broker warrants of the Corporation ("Broker Warrants") equal to 6% of the aggregate number of Common Shares issued. Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of $0.68 per share expiring December 23, 2022.

(Stated in Canadian Dollars)

For purposes of the broker warrants issued, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	2020	**2019**
Risk-free interest rate	**0.2265% - 0.267%**	**1.68% - 1.77%**
Annualized volatility*	**89.71% - 93.90%**	**70.13% - 75.28%**
Expected dividend	**NIL**	**NIL**
Expected option life	**2 years**	**1 - 2 years**

* Volatility based on similar publicly traded companies

iii. Options

The Corporation has a share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Corporation. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Corporation at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the Board of Directors which cannot exceed ten years.

The continuity of stock options issued and outstanding are as follow:

Issued and outstanding:	**Options outstanding**	**Weighted average exercise price**
Balance, January 1 2019*	1,175,000	0.50
Granted	133,332	0.86
Outstanding at December 31, 2019	1,308,332	0.54
Granted	1,048,000	0.69
Forfeited	(120,832)	0.76
Outstanding at December 31, 2020	**2,235,500**	**0.60**

There were nil options exercised in 2020 (2019 - nil).

At December 31, 2020, the following options were outstanding and outstanding and exercisable:

	Outstanding		**Outstanding and Exercisable**	
Weighted average exercise price	**Options #**	**Weighted average remaining life (years)**	**Options #**	**Weighted average remaining life (years)**
$0.50	1,187,500	2.50	950,000	2.50
$0.66	783,000	4.33	-	4.33
$0.70	235,000	4.91	-	4.91
$0.96	30,000	4.67	7,500	4.67
	2,235,500	**4.10**	**957,500**	**4.10**

Total vested options at December 31, 2020 were 957,500 with a weighted average exercise price of $0.51 (658,332 at December 31, 2019 with a weighted average exercise price of $0.57).

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

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The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, $377,011 was recorded as compensation for the year ended December 31, 2020 (2019 - $439,305).

* On completion of the RTO, the stock options were considered to be cancelled and re-issued for shares of the resulting issuer. This is a modification of a share-based payment under IFRS 2. The fair value of the options is determined on the date of the transaction, and compared to the fair value on the date immediately prior to the transaction. If there is excess fair value, the excess must be immediately recognized in share-based payment expense in accordance to the remaining vesting period. For instruments that have already vested, the additional expense is recognized immediately. For options still vesting, the additional expense is recognized over the remaining vesting period. A one-time expense in the amount of $361,842 was recorded in the period ending December 31, 2019 as share-based payment expense.

- The Corporation currently estimates the forfeiture rate to be nil.

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	December 31, 2020	December 31, 2019
Risk-free interest rate	**0.255% - 0.44%**	1.59%
Annualized volatility**	**86.25% - 105.99%**	121.00%
Expected dividend	**-**	NIL
Expected option life	**2 to 5 years**	1 to 5 years
Expected forfeiture rate	**nil**	NIL

** Volatility based on similar publicly traded companies

14. LOSS PER SHARE

The basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Fully diluted loss per share is the same as basic loss per share. The effect of common share purchase options and warrants on the net loss is not reflected as to do so would be anti-dilutive.

	2020	2019
Numerator:		
Net loss	**(9,099,488)**	(4,576,826)
Denominator:		
Weighted average number of common shares	**30,031,192**	17,640,441
Weighted average loss per share	**(0.30)**	(0.26)

NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

For the years ending December 31, 2020 and 2019

15. INCOME TAXES

The Corporation's income tax benefit differs from the amount computed by applying the combined federal and provincial income tax rates to loss before income taxes as a result of the following:

	2020	2019
	$	**$**
Loss for the year	**(9,099,488)**	(4,576,926)
Statutory rates	**26.50 %**	26.50 %
Income tax recovery computed at statutory rates	**(2,407,147)**	(1,212,859)
Increase in deferred tax assets not recognized	**2,054,618**	1,020,880
Non-deductible items	**229,254**	130,726
Effect of change in tax rates	**123,275**	61,253
	-	-

Deferred tax assets not recognized

Management believes that it is not probable that sufficient taxable profits will be available in future years to allow the benefit of the following deferred tax assets to be utilized:

	2020	2019
	$	**$**
Non-capital losses	**7,354,555**	7,337,588
Common share issue costs	**1,165,886**	769,177
Exploration and evaluation	**28,150,122**	26,550,100
Deferred tax assets not recognized	**36,670,563**	34,656,865
Unused operating tax losses expiring 2037 to 2040	**7,354,555**	7,337,588
Deductible temporary differences	**29,316,008**	27,319,277
Total unused operating tax losses	**36,670,563**	34,656,865

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(Stated in Canadian Dollars)

For the years ending December 31, 2020 and 2019

16. RELATED PARTIES

The Corporation's related parties include management personnel and entities over which they have control or significant influence as described below.

	Nature of transactions
Halstone Corporate Services	Accounting, IT and management services
Cordoba Minerals Corp.	Facilities
EDM Mining and Metals Advisory	Consulting and management services
Ocean Partners Investments Limited	Credit Facility

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash, however in certain circumstances they Corporation may issue some form of equity.

The following are the related party transactions, recorded at the exchange amount as agreed to by the parties for the year ended December 31, 2020 and 2019, respectively:

(a) Included in general and administrative expenses are amounts totaling $122,521 (2019 - $127,321) for accounting, IT and management services provided by Halstone Corporate Services, a company related to the Corporation through Gavin Nelson, CFO of Doré, and an officer of Halstone.

(b) Included in general and administrative expenses are amounts totaling $Nil (2019 - $2,250) for rent paid to Cordoba Minerals Corp., a company related to the Corporation through Mario Stifano, Executive Chairman of Doré, and previously CEO and Director of Cordoba.

(c) Included in consulting expenses are amounts totaling $200,004 (2019 - $195,499) for management services paid to EDM Mining & Metals Advisory, a company related to the Corporation through Ernest Mast, President and CEO of the Corporation, as well as EDM.

(d) On December 12, 2019 the Corporation issued 1,484,700 common shares at a price of $1.30 for a total fair value of $1,930,110, to settle amounts owed through a short-term credit facility to Ocean Partners USA Inc.., a company related to the Corporation through Brent Omland, Director of Doré, and an officer of Ocean Partners Partners Ltd., parent of Ocean Partners USA Inc.

(e) As part of the CBay asset acquisition (see note 7), the Corporation issued promissory notes to Ocean Partners Investment Limited, a company related to the Corporation through Brent Omland, Director of AmAuCu and Doré, and an officer of Ocean Partners Ltd. At December 31, 2020, the fair value of the promissory notes has been determined to be $Nil (2019 - $Nil).

(f) On December 6, 2019, the Corporation received a short-term working capital loan from Ernest Mast, President and CEO of the Corporation in the amount of $100,000. This facility was subsequently repaid on December 18, 2019 with interest in the amount of $395. The facility was a bridge loan to cover working capital needs prior to the closing of the business combination transaction, and beared an interest rate of 12% per annum with no collateral. The interest terms were consistent with other short-term working capital facilities.

(Stated in Canadian Dollars)

Key management personnel remuneration includes the following amounts:

	2020	2019
	$	**$**
Salary and wages	**318,004**	231,030
Share-based payments	**64,974**	190,865
	382,978	421,895

17. COMMITMENTS

Flow-through renunciation

On December 23, 2019 and December 30, 2019, the Corporation completed a flow-through financing to raise $4,471,123. The Corporation renounced 100% of the flow-through raised in 2019 to investors as at December 31, 2019. The Corporation had until February 1, 2020 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the $4,471,123 in flow-through financing raised in 2019, the Corporation has incurred $4,471,123 in exploration expenses, and thus fulfilling its obligation in relation to these renounced expenditures.

On August 25, 2020, the Corporation completed a flow-through financing to raise $3,121,477. The Corporation intends to renounce 100% of the flow-through raised in 2020 to investors as at December 31, 2020. The Corporation has until February 1, 2021 to incur expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation are charged to income in the period incurred. Of the $3,121,477 in flow-through financing raised in 2020, the Corporation has incurred $2,169,527 in exploration expenses, and thus must incur expenses of $951,950 by December 31, 2021, to fulfil its obligation in relation to these renounced expenditures.

18. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Corporation's operations include the acquisition and exploration of mineral properties in Canada. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

[a] Credit risk
Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Corporation by those counterparties, less any amounts owed to the counterparty by the Corporation where a legal right of off-set exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i) Trade credit risk
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.

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ii) Cash and cash equivalents
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of three months or less and are cashable at any time. Limits are also established based on the type of investment, the counterparty and the credit rate.

iii) Derivative financial instruments
As at December 31, 2020, the Corporation has no derivative financial instruments. It may in the future enter into derivative financial instruments in order to manage credit risk, it will only enter into derivative financial instruments with highly rated investment grade counterparties.

[b] Liquidity risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

[c] Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a significant loss as a result of a decline in the fair market value is limited as the Corporation holds all of its funds in cash and guaranteed investment certificates.

The Corporation does not invest in derivatives to mitigate these risks.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Corporation's financial assets measured at fair value by level within the fair value hierarchy as at December 31, 2020 (2019 - $nil):

	Level 1 **$**	Level 2 **$**	Level 3 **$**	**Total** **$**
Assets				
Investments	-	792,031	-	**792,031**

19. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares and stock options as capital, the balance of which is $28,823,406 at December 31, 2020 (2019 -$22,104,193). The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation 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 Corporation may attempt to issue new shares and, acquire or dispose of assets or acquire new debt.

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NOTES TO FINANCIAL STATEMENTS

(Stated in Canadian Dollars)

For the years ending December 31, 2020 and 2019

20. SUBSEQUENT EVENTS

Option payment on Joe Mann Property

On January 4, 2021 the Corporation completed an option payment on the Joe Mann property pursuant to which the Corporation made a cash payment of $250,000, and issued 500,000 common shares at a price of $1.00 per share.

Closing of final tranche of non-brokered private placement

On January 22, 2021, the Corporation announced the closing of the final tranche of its previously announced non-brokered private placement (the "Offering"), pursuant to which the Corporation sold an aggregate of 2,999,622 common shares in the capital of the Corporation ("Offered Shares") at a price of $0.68 per Offered Share for aggregate gross proceeds of $2,039,742. Together with the first tranche of the Offering, the Corporation sold an aggregate of 8,800,000 common shares in the capital of the Corporation under the Offering for aggregate gross proceeds of $5,984,000.

Paradigm Capital Inc., Cormark Securities Inc. and Canaccord Genuity Corp. acted as finders (each, a "Finder") in connection with the final tranche of the Offering. In consideration for acting as a finder in connection with the final tranche of the Offering, the Corporation paid an aggregate of $31,048 in cash finder's fees to the Finders, representing 6% of the gross proceeds of the Offered Shares that were sold to subscribers introduced by such parties, and issued an aggregate of 45,660 non-transferable warrants (the "Finder's Warrants") to purchase common shares in the capital of the Corporation (the "Finder's Warrant Shares") to the Finders, representing 6% of the Offered Shares that were sold to subscribers introduced by such parties, with each Finder's Warrant being exercisable for one Finder's Warrant Share at a price of C$0.68 per Finder's Warrant Share until January 22, 2023. In addition to the finder's fees, the Corporation also paid administrative fees in the amount of $49,499 in respect of three subscriptions under the Offering.

Completion of flow-through private placement

On February 18, 2021, the Corporation closed a "best efforts" private placement (the "Offering"), pursuant to which the Corporation sold an aggregate of 12,221,000 common shares of the Corporation that will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the "Flow-Through Shares") at a price of $0.90 per Flow-Through Share for aggregate gross proceeds of $10,998,900, including the full exercise of the agents' option.

Cormark Securities Inc. and Paradigm Capital Inc. acted as agents (the "Agents") in connection with the Offering pursuant to the terms of an agency agreement dated February 18, 2021. In consideration for their services in connection with the Offering, the Corporation paid the Agents a cash commission equal to $659,934 representing 6% of the aggregate gross proceeds from the sale of Flow-Through Shares.

Shares issued in relation to stock-option exercise

On March 10, the Corporation issued 100,000 common shares at a price of $0.84 in relation to the execise of stock options by an employee of the Corporation.

Norbeau Property and Norbeau East Property Option Agreements

On March 13, 2021, the Corporation entered into option agreements (the "Option Agreements") to acquire a 100% interest in the former producing Norbeau gold mine property and the contiguous Beaurox property, located approximately 15 kilometers by road north from the Corporation's Copper Rand mill in the Chibougamau mining camp in northwestern Québec, Canada.

Under the terms of the Option Agreements, the Corporation may earn a 100% interest in the Properties under the following terms:

Norbeau Property

- $50,000 in cash payments and $175,000 equivalent in Shares following receipt of TSX Venture Exchange approval, $50,000 in cash payments and $75,000 equivalent in Shares on the first anniversary, $65,000 in cash payments and $100,000 equivalent in Shares on the second and third anniversaries for a total of $230,000 in cash payments and $450,000 equivalent in Shares;
- $100,000 in expenditures in the first 16 months and $100,000 in expenditures in the subsequent six months;
- $100,000 equivalent in Shares on filing a NI 43-101 Technical Report with mineral resources and a further $250,000 equivalent in Shares if the mineral resources (all categories) exceed 300,000 ounces of gold
- $150,000 equivalent in Shares on commencement of commercial production and a further $350,000 equivalent in Shares after production of 100,000 ounces of gold; and
- 2% net smelter return (“NSR”) royalty, of which 1% may be bought back for $2,000,000.

Beaurox Property

- $35,000 in cash payments and $25,000 equivalent in Shares following receipt of TSX Venture Exchange approval, $50,000 in cash payments and $50,000 equivalent in Shares on the six-month anniversary, and on the first, second and third anniversaries for a total of $235,000 in cash payments and $225,000 equivalent in Shares;
- $300,000 in expenditures in the first 18 months and $300,000 in expenditures in the subsequent six months;
- $75,000 in cash payments on commencement of drilling and $100,000 in cash payments after completion of 5,000 meters;
- 5,000 meters of drilling or cumulative equivalent expenditures prior to the third anniversary;
- $100,000 equivalent in Shares on filing a NI 43-101 Technical Report with mineral resources;
- $150,000 equivalent in Shares on commencement of commercial production; and
- 2% NSR royalty, of which 0.75% may be bought back for $3,000,000, and approximately $60,000 in advance royalty payments commencing in year three.