
DORÉ COPPER MINING



Consolidated Financial Statements

September 30, 2021

(Unaudited)

(Stated in Canadian Dollars)



To the Shareholders of
Doré Copper Mining Corp.
For the three and nine months ended September 30, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Doré Copper Mining Corp. were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed consolidated interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

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

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



CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)
(Unaudited)

| As at | September 30 2021 \$ | December 31 2020 \$ |
|--|----------------------------|---------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 17,658,637 | 4,334,290 |
| Accounts receivable [note 3] | 1,043,761 | 483,084 |
| Prepays | 39,517 | 39,375 |
| Investments [note 4] | 804,437 | 792,031 |
| Total current assets | 19,546,352 | 5,648,780 |
| Non-current assets | | |
| Equipment and leaseholds [note 5] | 8,625 | 10,350 |
| Mineral property interests [note 8] | 5,930,629 | 5,930,629 |
| Total assets | 25,485,606 | 11,589,759 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 879,731 | 1,333,893 |
| Deferred premium of flow-through shares [note 9] | 2,630,368 | 75,150 |
| Total current liabilities | 3,510,099 | 1,409,043 |
| EQUITY | | |
| Share capital [note 9] | 50,639,451 | 27,595,704 |
| Share purchase warrants [note 9] | 475,370 | 464,484 |
| Equity settled employee benefits [note 9] | 1,783,769 | 1,227,702 |
| Deficit | (30,923,083) | (19,107,174) |
| Total equity | 21,975,507 | 10,180,716 |
| Total liabilities and equity | 25,485,606 | 11,589,759 |

*Going concern [note 1]
Commitments [note 12]
Subsequent event [note 15]*

See accompanying notes to the condensed consolidated interim financial statements

These consolidated interim financial statements are authorized for issue by the Board of Directors on November 18, 2021.

They are signed on the Corporation's behalf by:

"Mario Stifano" "Ernest Mast"
Director Director

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)
(Unaudited)

| | For the three months ended September 30 | | For the nine months ended September 30 | |
|--|--|--------------------|---|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| EXPENSES | | | | |
| Consulting <i>[note 11]</i> | 205,238 | 76,229 | 575,055 | 251,228 |
| Depreciation <i>[note 5]</i> | 575 | 575 | 1,725 | 1,150 |
| Exploration and evaluation <i>[note 6]</i> | 4,223,283 | 1,949,357 | 10,375,867 | 6,726,090 |
| Insurance | 24,530 | 26,915 | 104,657 | 91,231 |
| Investor relations | 113,971 | 170,723 | 432,818 | 366,382 |
| Meals and entertainment | - | 195 | - | 3,180 |
| General and administrative | 36,038 | 29,303 | 240,103 | 65,533 |
| Professional fees | 51,823 | 46,256 | 245,186 | 150,782 |
| Shareholder communications | 6,563 | 10,862 | 21,358 | 70,061 |
| Share-based payments <i>[note 9]</i> | 193,861 | 65,892 | 550,425 | 154,632 |
| Travel and meetings | 5,072 | 5 | 5,497 | 27,206 |
| | 4,860,954 | 2,376,312 | 12,552,691 | 7,907,475 |
| Loss before the following Other items | (4,860,954) | (2,376,312) | (12,552,691) | (7,907,475) |
| Investment income <i>[note 4]</i> | 44,325 | 4,936 | 46,860 | 28,167 |
| Other income/(expense) related to flow-through share premium | 261,453 | (72,255) | 689,922 | (341,222) |
| Loss and comprehensive loss for period | (4,555,176) | (2,443,631) | (11,815,909) | (8,220,530) |
| Basic and diluted loss per share <i>[note 10]</i> | (0.09) | (0.03) | (0.23) | (0.06) |

See accompanying notes to the condensed consolidated interim financial statements



CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Stated in Canadian Dollars)
(Unaudited)

For the nine months ended September 30

| | 2021 \$ | 2020 \$ |
|--|---------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Loss for the period | (11,815,909) | (8,220,530) |
| Add charges (deduct credits) to earnings not involving a current payment of cash | | |
| Depreciation | 1,725 | 1,150 |
| Share based payments <i>[note 9]</i> | 550,425 | 154,632 |
| Non-cash exploration expenses <i>[note 9]</i> | 750,562 | 500,000 |
| Other income related to flow-through share premium | (689,922) | 341,222 |
| | (11,203,119) | (7,223,526) |
| Changes in non-cash working capital balances related to operations | | |
| Accounts receivable | (560,677) | (360,433) |
| Prepays | (142) | 117,909 |
| Accounts payable and accrued liabilities | (454,162) | (673,124) |
| Cash used in operating activities | (12,218,100) | (8,139,174) |
| INVESTMENT ACTIVITIES | | |
| Purchase of investments, net | (12,405) | (788,583) |
| Purchase of equipment | - | (11,500) |
| Cash used in investment activities | (12,405) | (800,083) |
| FINANCING ACTIVITIES | | |
| Proceeds from private placement <i>[note 9]</i> | 27,674,732 | 3,121,477 |
| Proceeds from the exercise of stock options <i>[note 9]</i> | 73,268 | - |
| Proceeds from the exercise of broker warrants <i>[note 9]</i> | 7,311 | - |
| Share issue costs <i>[note 9]</i> | (2,200,459) | (307,710) |
| Cash provided by financing activities | 25,554,852 | 2,813,767 |
| Increase (decrease) in cash and cash equivalents during the period | 13,324,347 | (6,125,490) |
| Cash and cash equivalents, beginning of the period | 4,334,290 | 8,152,018 |
| Cash and cash equivalents, end of the period | 17,658,637 | 2,026,528 |

See accompanying notes to the condensed consolidated interim financial statements



CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)
(Unaudited)

| Issued and outstanding: | Share Capital | | Equity Settled | | Reserves | | Total Equity |
|--|------------------|---------------|-------------------|----------------|--------------|--|--------------|
| | Number of Shares | Share Capital | Employee Benefits | Agents Options | Deficit | | |
| Balance as at December 31, 2019 | 28,575,596 | 21,253,502 | 850,691 | 212,685 | (10,007,686) | | 12,309,192 |
| Shares issued for mineral properties <i>[note 9]</i> | 400,000 | 500,000 | - | - | - | | 500,000 |
| Shares issued in flow-through private placement (first tranche) <i>[note 9]</i> | 1,749,450 | 2,099,340 | - | - | - | | 2,099,340 |
| Shares issued in flow-through private placement (second tranche) <i>[note 9]</i> | 912,622 | 1,022,137 | - | - | - | | 1,022,137 |
| Share issue costs <i>[note 9]</i> | - | (307,710) | - | - | - | | (307,710) |
| Share-based payments <i>[note 9]</i> | - | - | 154,632 | - | - | | 154,632 |
| Broker/finder warrants <i>[note 9]</i> | - | (73,018) | - | 73,018 | - | | - |
| Flow-through share premium <i>[note 9]</i> | - | (406,163) | - | - | - | | (406,163) |
| Loss for the period | - | - | - | - | (8,220,530) | | (8,220,530) |
| Balance as at September 30, 2020 | 31,637,668 | 24,088,088 | 1,005,323 | 285,703 | (18,228,216) | | 7,150,898 |
| Shares issued in private placement (initial tranche) <i>[note 9]</i> | 5,800,378 | 3,944,257 | - | - | - | | 3,944,257 |
| Broker/finder warrants <i>[note 9]</i> | - | (178,781) | - | 178,781 | - | | - |
| Share issue costs <i>[note 9]</i> | - | (257,860) | - | - | - | | (257,860) |
| Share-based payments <i>[note 9]</i> | - | - | 222,379 | - | - | | 222,379 |
| Loss and comprehensive loss for the period | - | - | - | - | (878,958) | | (878,958) |
| Balance as at December 31, 2020 | 37,438,046 | 27,595,704 | 1,227,702 | 464,484 | (19,107,174) | | 10,180,716 |
| Shares issued for mineral property <i>[note 9]</i> | 766,705 | 750,563 | - | - | - | | 750,563 |
| Shares issued in private placement (final tranche) <i>[note 9]</i> | 2,999,622 | 2,039,742 | - | - | - | | 2,039,742 |
| Shares issued in flow-through private placement #1 <i>[note 9]</i> | 12,221,000 | 10,998,900 | - | - | - | | 10,998,900 |
| Shares issued in private placement <i>[note 9]</i> | 9,636,050 | 9,636,050 | - | - | - | | 9,636,050 |
| Shares issued in flow-through private placement #2 <i>[note 9]</i> | 2,907,000 | 5,000,040 | - | - | - | | 5,000,040 |
| Share issue costs <i>[note 9]</i> | - | (2,216,987) | - | 16,528 | - | | (2,200,459) |
| Share-based payments <i>[note 9]</i> | - | - | 550,425 | - | - | | 550,425 |
| Flow-through share premium | - | (3,245,140) | - | - | - | | (3,245,140) |
| Exercise of options <i>[note 9]</i> | 143,333 | 73,268 | - | - | - | | 73,268 |
| Exercise of warrants <i>[note 9]</i> | 10,752 | 7,311 | 5,642 | (5,642) | - | | 7,311 |
| Loss for the period | - | - | - | - | (11,815,909) | | (11,815,909) |
| Balance as at September 30, 2021 | 66,122,508 | 50,639,451 | 1,783,769 | 475,370 | (30,923,083) | | 21,975,507 |

See accompanying notes to the condensed consolidated interim financial statements



NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian Dollars)
(Unaudited)

For the three and nine months ending September 30, 2021 and 2020

1. NATURE OF BUSINESS AND GOING CONCERN

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 September 30, 2021, the Corporation has no source of operating cash flows. The Corporation incurred a net loss of \$4,555,176 for the nine month period ended September 30, 2021 (September 30, 2020 - \$8,220,530) and has accumulated a deficit of \$30,923,083 since the inception of the Corporation. As at September 30, 2021, the Corporation had working capital of \$16,036,253 (December 31, 2020 – working capital \$4,239,737) 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 nine month period ended September 30, 2021, the Corporation raised gross proceeds of \$27,674,732 (2020 - \$3,121,477) through private placements of shares and warrants and the exercise of stock options.

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 adapted its operations to mitigate the impact of 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.



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2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Corporation's annual financial statements as at December 31, 2020.

The unaudited condensed consolidated interim financial statements of the Corporation for the period ended September 30, 2021 were approved and authorized by the Board of Directors on November 18, 2021.

The accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Corporation's audited consolidated financial statements for the year ended December 31, 2020 and as discussed below.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Corporation's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Corporation's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2020 and as discussed below.

Basis of consolidation

The Corporation's condensed consolidated interim 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.

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.

Significant estimates

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



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comprehensive loss;

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

3. AMOUNTS RECEIVABLE

| | September 30, 2021 | December 31, 2020 |
|-------------------------|---------------------------|-------------------|
| | \$ | \$ |
| Recoverable taxes (i) | 1,043,761 | 335,330 |
| Mining tax credits (ii) | - | 147,754 |
| Total | 1,043,761 | 483,084 |

- (i) Recoverable taxes include Canadian harmonized sales tax receivable and the Québec sales tax receivable.
(ii) Mining tax credit receivable includes amounts recoverable from Revenu Québec related to the mining tax credits.

4. INVESTMENTS

As at September 30, 2021 the Corporation's subsidiary, CBay, held \$784,375 in a guaranteed investment certificate maturing March 11, 2022 at a yield of 0.33%, and \$20,000 in a guaranteed investment certificates maturing March 2, 2022 yielding 0.10%.

5. EQUIPMENT

Cost

| | Field equipment |
|------------------------------------|-----------------|
| | \$ |
| Balance, January 1, 2021 | 11,500 |
| Assets acquired | - |
| Balance, September 30, 2021 | 11,500 |

Accumulated depreciation

| | |
|------------------------------------|--------------|
| Balance, January 1, 2021 | 1,150 |
| Depreciation for the period | 1,725 |
| Balance, September 30, 2021 | 2,875 |

Carrying amounts

| | |
|---------------------------|--------------|
| December 31, 2020 | 10,350 |
| September 30, 2021 | 8,625 |



NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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6. EXPLORATION AND EVALUATION

For the nine months ended

| Acquisition costs | Cedar Bay \$ | Corner Bay \$ | Other properties \$ | September 30, 2021 \$ | September 30, 2020 \$ |
|--------------------------|-----------------|------------------|---------------------------|-----------------------------|-----------------------------|
| CBay acquisition costs** | 2,075,500 | 3,592,529 | 262,600 | 5,930,629 | 5,930,629 |

For the three months ended

| Acquisition costs | Cedar Bay \$ | Corner Bay \$ | Other properties \$ | September 30, 2021 \$ | September 30, 2020 \$ |
|--------------------------|-----------------|------------------|---------------------------|-----------------------------|-----------------------------|
| 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.

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 Cornerback 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



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- 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 had 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. The Corporation completed this payment on May 6, 2021 and now retains a 100% undivided interest in the property.

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).
- 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.

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 (paid), \$50,000 in cash payments and \$75,000 equivalent in Shares on the first anniversary,



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- \$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 (paid), \$50,000 in cash payments and \$50,000 equivalent in Shares on the six-month anniversary (paid), 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 (paid) 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.

On October 19, 2021, the Corporation entered into an agreement with Manna d'Or Mining Ltd. granting an exclusive option to acquire up to a seventy five percent (75%) interest in and to the Norbeau Property (see subsequent events note 15).

7. PROMISSORY NOTES

In relation to the acquisition of CBay, AmAuCu 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 accrued interest as at September 30, 2021 would be valued at \$1,050,000 (December 31, 2020 - \$712,500). 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 September 30, 2021, no adjustment has been made.



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8. REVERSE TAKE-OVER AND AMALGAMATION

On December 13, 2019, AmAuCu completed a business combination transaction with ChaiNode pursuant to which ChaiNode acquired all of the issued and outstanding securities of AmAuCu 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 AmAuCu, 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 9) 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 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



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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 the period ending December 31, 2019 | (4) | \$ | 462,052 |
| Total listing fees incurred 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.

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:



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| | |
|-------------------------|------------|
| 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.

9. SHARE CAPITAL

i. Authorized

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

ii. Details of share issuances

| Issued and outstanding: | | # of shares | Share price |
|--|-----|-------------------|----------------|
| Opening balance, January 1, 2020 | | 28,575,596 | |
| Shares issued for mineral property | (a) | 400,000 | 1.25 |
| Shares issued in flow-through private placement (first tranche) | (b) | 1,749,450 | 1.20 |
| Shares issued in flow-through private placement (second tranche) | (b) | 912,622 | 1.12 |
| Balance, September 30, 2020 | | 31,637,668 | |
| Shares issued in private placement (initial tranche) | (c) | 5,800,378 | 0.68 |
| Balance, December 31, 2020 | | 37,438,046 | |
| Shares issued for mineral property (Joe Mann) | (d) | 500,000 | 1.00 |
| Shares issued in private placement (final tranche) | (e) | 2,999,622 | 0.68 |
| Shares issued in flow-through private placement #1 | (f) | 12,221,000 | 0.90 |
| Shares issued in relation to exercise of stock options | (g) | 100,000 | 0.50 |
| Shares issued for mineral property (Norbeau) | (h) | 184,210 | 0.95 |
| Shares issued for mineral property(Norbeau East) | (i) | 26,315 | 0.95 |
| Shares issued in private placement | (j) | 9,636,050 | 1.00 |
| Shares issued in flow-through private placement #2 | (j) | 2,907,000 | 1.72 |
| Shares issued in relation to the exercise of warrants | (k) | 10,752 | 0.68 |
| Shares issued for mineral property (Norbeau East) | (l) | 56,180 | 0.90 |
| Shares issued in relation to exercise of options | (m) | 33,333 | 0.50 |
| Shares issued in relation to exercise of options | (m) | 10,000 | 0.66 |
| Balance, September 30, 2021 | | 66,122,508 | |

- (a) 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 6).
- (b) 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

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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.

- (c) 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.

- (d) 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 (see note 6).
- (e) 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

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"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.

- (f) 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.

The Corporation will use an amount equal to the gross proceeds received by the Corporation from the sale of the Flow-Through Shares, pursuant to the provisions in the *Income Tax Act* (Canada), to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the *Income Tax Act* (Canada) (the "Qualifying Expenditures") on or before December 31, 2022, and will renounce all of the Qualifying Expenditures in favour of the purchasers of the Flow-Through Shares effective December 31, 2021. The Corporation will shortly announce its drilling plans for the next two quarters based on the funds available from the recent financings.

The Offering was made by way of private placement in Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws. The securities issued under the Offering are subject to a hold period under applicable Canadian securities laws which will expire on June 19, 2021.

- (g) On March 10, 2021 the Corporation issued 100,000 common shares at a price of \$0.50 in relation to the exercise of stock options by an employee of the Corporation.
- (h) On March 13, 2021, the Corporation issued 184,210 common shares at a price of \$0.95 in relation to the Norbeau property option agreement (see note 6).
- (i) On March 13, 2021, the Corporation issued 26,315 common shares at a price of \$0.95 in relation to the Norbeau East (Beaurox) property option agreement (see note 6).
- (j) On June 1, 2021, the Corporation closed a bought-deal private placement pursuant to which Cormark Securities Inc. and Paradigm Capital Inc., as co-lead underwriters, (collectively, the "Underwriters"), agreed to purchase, on a "bought deal" private placement basis: (i) 9,636,050 common shares in the capital of the Corporation (the "Offered Common Shares") at a price of \$1.00 per Offered Common Share (the "Common Share Offering Price") for gross proceeds of \$9,636,050 and (ii) 2,907,000 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 section 359.1 of the *Taxation Act* (Québec)) (the "Flow-Through Shares") at a price of \$1.72 per Flow-Through Share for gross proceeds of \$5,000,040.



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- (k) On June 2, 2021, the Corporation issued 10,752 common shares at a price of \$0.68 in relation to the exercise of broker warrants.
- (l) On September 10, 2021, the Corporation issued 56,180 common shares at a price of \$0.90 in relation to the Norbeau East (Beaurox) property option agreement (see note 6).
- (m) On September 16, 2021 the Corporation issued 33,333 common shares at a price of \$0.50, and 10,000 common shares at an exercise price of \$0.66, in relation to the exercise of stock options by an employee of the Corporation.

ii. Warrants

The following table reflects the continuity of warrants as at September 30, 2021:

| 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 | | 464,485 | |
| Broker warrants issued pursuant to private placement (final tranche) | (g) | 45,660 | 0.68 | 16,529 | 1/22/2023 |
| Exercise of broker warrants | | (10,752) | 0.68 | (5,642) | |
| Balance, June 30, 2021 | | 2,860,638 | - | 475,372 | |

- (a) These warrants were issued as a part of the transactions described in note 8. 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 8.
- (c) These warrants were issued as a part of the transactions described in note 8.

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- (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.
- (g) As additional consideration for services in connection with the closing of the final tranche of the Private Placement Offering on January 22, 2021, 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 January 22, 2023.

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:

| | 2021 | 2020 |
|-------------------------|----------------|-------------------------|
| Risk-free interest rate | 0.1757% | 0.2265% - 0.267% |
| Annualized volatility* | 87.72% | 89.71% - 93.90% |
| Expected dividend | NIL | NIL |
| Expected option life | 2 years | 2 years |

* Volatility based on similar publicly traded companies



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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:

| | Options outstanding | Weighted average exercise price |
|--|------------------------|---------------------------------------|
| Issued and outstanding: | | |
| Balance, January 1, 2020* | 1,308,322 | 0.54 |
| Granted | 1,048,000 | 0.69 |
| Forfeited | (120,832) | 0.76 |
| Outstanding at December 31, 2020 | 2,235,500 | 0.60 |
| Granted | 1,319,500 | 1.10 |
| Exercised | (143,333) | 0.55 |
| Forfeited | (36,667) | 0.57 |
| Outstanding at September 30, 2021 | 3,375,000 | 0.81 |

During the period ended September 30, 2021, there were 133,333 options exercised at a price of \$0.50, and 10,000 options exercised at a price of \$0.66 (2020 - \$nil).

At September 30, 2021, the following options were outstanding and outstanding and exercisable:

| Weighted average exercise price | Outstanding | | Outstanding and Exercisable | |
|------------------------------------|------------------|---|-----------------------------|---|
| | Options # | Weighted average remaining life (years) | Options # | Weighted average remaining life (years) |
| \$0.50 | 1,037,500 | 1.75 | 900,000 | 1.75 |
| \$0.66 | 753,000 | 3.58 | 205,000 | 3.58 |
| \$0.70 | 235,000 | 4.16 | - | 4.16 |
| \$0.79 | 45,000 | 4.85 | - | 4.85 |
| \$0.96 | 30,000 | 4.00 | - | 4.00 |
| \$1.10 | 1,207,000 | 4.55 | - | 4.55 |
| \$1.04 | 67,500 | 4.65 | - | 4.65 |
| | 3,375,000 | 4.10 | 1,105,000 | 3.85 |

Total vested options at September 30, 2021 were 1,105,000 with a weighted average exercise price of \$0.54 (957,500 at December 31, 2020 with a weighted average exercise price of \$0.51).

The Corporation applies the fair value method of accounting for all stock based compensation awards and accordingly, \$193,861 was recorded as compensation for the three months ended September 30, 2021, and \$550,423 was recorded as compensation for the nine months ended September 30, 2021 (2020 - \$44,294 and \$88,739, respectively).

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



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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:

| | September 30, 2021 | December 31, 2020 |
|--------------------------|-----------------------|----------------------|
| Risk-free interest rate | 0.9154% | 0.255% - 0.44% |
| Annualized volatility** | 95.77% | 86.25%-105.99% |
| Expected dividend | - | NIL |
| Expected option life | 5 years | 2 to 5 years |
| Expected forfeiture rate | nil | NIL |

** Volatility based on similar publicly traded companies

10. 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.

Nine months ended September 30,

| | 2021 | 2020 |
|--|---------------|---------------|
| Numerator: | | |
| Net loss | (11,815,909) | (8,220,530) |
| Denominator: | | |
| Weighted average number of common shares | 51,680,083 | 29,322,438 |
| Weighted average loss per share | (0.23) | (0.28) |

Three months ended September 30,

| | 2021 | 2020 |
|--|---------------|---------------|
| Numerator: | | |
| Net loss | (4,555,176) | (2,443,631) |
| Denominator: | | |
| Weighted average number of common shares | 51,680,083 | 29,322,438 |
| Weighted average loss per share | (0.09) | (0.08) |



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11. 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 |
| 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 three and nine months ended September 30, 2021 and 2020, respectively:

- (a) Included in general and administrative expenses are amounts totaling \$31,927 and \$102,766 (2020 - \$27,255 and \$92,760) 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 consulting expenses are amounts totaling \$50,001 and \$266,670 (2020 - \$50,001 and \$149,999) 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.
- (c) As part of the CBay asset acquisition, the Corporation issued promissory notes to Ocean Partners Investment Limited (see note 7), a company related to the Corporation through Brent Omland, Director of AmAuCu and Doré, and an officer of Ocean Partners Ltd. At September 30, 2021 the fair value of the promissory notes has been determined to be \$Nil (2020 - \$Nil).

Key management personnel remuneration includes the following amounts:

| | 2021 | 2020 |
|-----------------------------------|---------|---------|
| | \$ | \$ |
| Salary, wages and consulting fees | 392,899 | 158,400 |
| Share-based payments | 214,096 | 68,254 |
| | 606,995 | 226,654 |



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12. COMMITMENTS

Flow-through renunciation

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 \$3,121,477 in exploration expenses, and thus must incur expenses of \$Nil by December 31, 2021, to fulfil its obligation in relation to these renounced expenditures.

On February 18, 2021, the Corporation completed a flow-through financing to raise \$10,998,900. The Corporation intends to renounce 100% of the flow-through raised in 2021 to investors as at December 31, 2021. The Corporation has until February 1, 2022 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 \$10,998,900 in flow-through financing raised in the February 18, 2021 financing, the Corporation has incurred \$7,755,312 in exploration expenses, and thus must incur expenses of \$3,243,588 by December 31, 2022, to fulfil its obligation in relation to these renounced expenditures.

On June 1, 2021, the Corporation completed a flow-through financing to raise \$5,000,040. The Corporation intends to renounce 100% of the flow-through raised in 2021 to investors as at December 31, 2021. The Corporation has until February 1, 2022 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 \$5,000,040 in flow-through financing raised in the June 1, 2021 financing, the Corporation has incurred \$Nil in exploration expenses, and thus must incur expenses of \$5,000,040 by December 31, 2022, to fulfil its obligation in relation to these renounced expenditures.

13. 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.

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.



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(Stated in Canadian Dollars)
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iii) Derivative financial instruments

As at September 30, 2021, 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).

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---------------|---------------|---------------|---------------|----------------|
| Assets | | | | |
| Investments | - | 804,437 | - | 804,437 |

14. MANAGEMENT OF CAPITAL RISK

The Corporation manages its common shares and stock options as capital, the balance of which is \$52,423,220 at September 30, 2021 (December 31, 2020 - \$28,823,406). 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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15. SUBSEQUENT EVENT

Norbeau Property re-option Agreement

On October 19, 2021 (the "Effective Date"), the Corporation entered into an agreement with Manna d'Or Mining Ltd. ("Manna" or the "Optionee") granting Manna an exclusive option to acquire up to a seventy five percent (75%) interest in and to the Norbeau Property (the "Property") on the terms and conditions hereinafter set forth:

- The Optionee will make a \$100,000 cash payment to the Corporation on the Effective Date and will have a firm commitment to make a further payment of \$65,000 in cash within 12 months of the Effective Date;
- The Optionee will have a firm commitment to incur \$1,000,000 in Expenditures within 12 months of the Effective Date;
- The Optionee will incur an additional \$1,000,000 in Expenditures within 24 months of the Effective Date. After the Optionee has incurred \$2,000,000 in Expenditures within 24 months of the Effective Date, the Optionee will have earned a 51% interest in and to the Property (the "First Option") subject to the Corporation having earned a 100% interest in and to the Property pursuant to the Norbeau Option Agreement. If the Corporation has not earned a 100% interest in and to the Property prior to the Optionee exercising the First Option, the Corporation will use all commercially reasonable efforts to earn a 100% interest in and to the Property pursuant to the Norbeau Option Agreement as soon as is practicable after the Optionee has satisfied the conditions to earn a 51% interest in and to the Property pursuant to the First Option;
- The Optionee will incur an additional \$1,500,000 in Expenditures within 36 months of the Effective Date. After the Optionee has incurred \$3,500,000 in Expenditures within 36 months of the Effective Date, the Optionee will have earned a 63% interest in and to the Property (the "Second Option");
- The Optionee will incur an additional \$1,500,000 in Expenditures within 48 months of the Effective Date. After the Optionee has incurred \$5,000,000 in Expenditures within 48 months of the Effective Date, the Optionee will have earned a 75% interest in and to the Property (the "Third Option");
- The Optionee will make a further cash payment to the Corporation of \$75,000 on filing a technical report pursuant to National Instrument 43-101 in respect of the Property that discloses mineral resources in excess of 100,000 oz of gold and a further payment of \$187,500 if such technical report discloses mineral resources in excess of 300,000 oz of gold;
- The Optionee will make a \$112,500 cash payment to the Corporation on the Commencement of Commercial Production and an additional \$262,500 cash payment after production of 100,000 ounces of gold; and
- The Optionee will make a payment of \$115,000 in shares of Optionee or in cash or a combination thereof, at the sole discretion of the Optionee, to the Corporation upon each of the first, second and third anniversary of the Effective Date.

Grant of Stock Options

On November 9, 2021 the Corporation granted 45,000 options to purchase common shares at a price of



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\$0.81, and expiring November 9, 2026 to an employee of the Corporation. These options will vest 1/3 annually beginning one year from the date of the grant.