CRESVAL CAPITAL CORP.

Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

(stated in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cresval Capital Corp.

Opinion

We have audited the accompanying consolidated financial statements of Cresval Capital Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a working capital deficiency and has incurred ongoing losses. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 and 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. 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 Guy Thomas.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 30, 2021

CRESVAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)

As at	Note	**December 31, 2020**	December 31, 2019
ASSETS			
Current Assets			
Cash		**$ 31,205**	$ 19,909
Receivables		**1,509**	1,445
Prepaid expenses		**295**	295
		33,009	21,649
Non-Current Assets			
Exploration and evaluation assets	4	**159,437**	217,756
Reclamation bonds	5	**10,000**	30,000
Property, plant and equipment	6	**1,534**	2,013
		170,971	249,769
		$ 203,980	$ 271,418
LIABILITIES			
Current Liabilities			
Trade and other payables		**$ 289,202**	$ 284,968
Short-term loan	7	**51,578**	-
Due to related parties	9	**587,759**	477,720
		928,539	762,688
SHAREHOLDERS' DEFICIENCY			
Share capital	8	**2,756,169**	2,708,169
Reserves	8	**72,000**	-
Units returnable	8(b)	**(110,000)**	-
Deficit		**(3,442,728)**	(3,199,439)
		(724,559)	(491,270)
		$ 203,980	$ 271,418

Note 1 – Nature of Operations and Going Concern
Note 14 – Subsequent Event

These financial statements are authorized for issue by the Board of Directors on April 30, 2021.

s/ *"Lee Ann Wolfin"*	*s/ "Paul Hickey"*
____________________ Director	____________________ Director
Lee Ann Wolfin	Paul Hickey

The accompanying notes form an integral part of these consolidated financial statements.

CRESVAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

Years ended December 31,	Note		2020		2019
Operating Expenses					
Consulting and management fees	9	**$**	**125,200**	$	156,750
Depreciation	6		**479**		667
Office supplies and services	9		**2,084**		14,968
Professional fees			**40,395**		35,193
Shareholder information and communications			**(3,541)**		119,904
Share transfer, listing and filing fees			**19,282**		25,918
Travel			**112**		2,826
Impairment of exploration and evaluation asset	4		**56,563**		-
Operating Loss			**(240,574)**		(356,226)
Interest expense	7		**(2,955)**		**-**
Interest income			**240**		90
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		**$**	**(243,289)**	$	(356,136)
Loss per share - basic and diluted		**$**	**(0.008)**	$	(0.012)
Weighted average number of shares (basic and diluted)			**30,213,313**		29,143,710

The accompanying notes form an integral part of these consolidated financial statements.

CRESVAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Stated in Canadian Dollars)

	Number of shares issued	Share Capital	Reserves	Units Returnable	Deficit	Total Shareholders' Deficiency
		$	$	$	$	$
Balance, December 31, 2018	27,618,231	2,640,769	8,220	-	(2,844,123)	(195,134)
Private Placement	2,400,000	60,000	-	-	-	60,000
Transfer upon expiration of stock options	-	-	(820)	-	820	-
Transfer upon expiration of warrants	-	7,400	(7,400)	-	-	-
Loss and comprehensive loss	-	-	-	-	(356,136)	(356,136)
Balance, December 31, 2019	30,018,231	2,708,169	-	-	(3,199,439)	(491,270)
Units issued for private placement (Note 8)	2,400,000	48,000	72,000	(110,000)	-	10,000
Loss and comprehensive loss	-	-	-	-	(243,289)	(243,289)
Balance, December 31, 2020	**32,418,231**	**2,756,169**	**72,000**	**(110,000)**	**(3,442,728)**	**(724,559)**

The accompanying notes form an integral part of these consolidated financial statements.

CRESVAL CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

Years ended December 31,		2020		2019
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the year	$	(243,289)	$	(356,136)
Items not affecting cash:				
Depreciation		479		667
Impairment of exploration and evaluation asset		56,563		-
Interest expense		1,578		-
Cash provided by (used in) changes in non-cash working capital items:				
Receivables		(64)		17,839
Accounts payable and accrued liabilities		14,564		142,474
Due to related parties		110,039		111,603
		(60,130)		(83,553)
INVESTING ACTIVITIES				
Exploration and evaluation asset		(8,574)		(17,879)
Refund of reclamation bond		20,000		-
		11,426		(17,879)
FINANCING ACTIVITIES				
Proceeds from short-term loans		150,000		-
Repayment of short-term loan		(100,000)		-
Units issued for cash		10,000		60,000
		60,000		60,000
INCREASE (DECREASE) IN CASH		11,296		(41,432)
CASH, beginning of year		19,909		61,341
CASH, end of year	$	31,205	$	19,909
Supplementary Disclosure of Statements of Cash Flows Information				
Cash paid for interest	$	1,027	$	-
Cash paid for taxes		-		-
Interest received		240		90
Non-cash investing and financing activities:				
Transfer expired options to deficit		-		820
Transfer expired warrants to share capital		-		7,400
Exploration and evaluation assets in accounts payable		32,268		42,598
Exploration advance allocated to exploration and evaluation asset		-		9,063

The accompanying notes form an integral part of these consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Cresval Capital Corp. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on July 23, 2001. The consolidated financial statements include the accounts of Cresval Capital Corp. and its wholly-owned subsidiary, 1151009 BC Ltd., a company incorporated under the laws of British Columbia, Canada. The Company's head office and principal place of business is Suite 1101, 1985 Bellevue Avenue, West Vancouver, BC, Canada. The Company is a reporting issuer in the provinces of British Columbia and Alberta, Canada and trades on the TSX Venture Exchange ("TSX-V") under the symbol "CRV".

The Company holds interests in exploration properties in British Columbia, Canada, and has not yet determined whether the properties contain ore reserves which are economically recoverable. The underlying carrying value of the mineral properties interests and related deferred exploration and evaluation expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the mineral claims, its ability to obtain necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the sale of all or an interest in its mineral claims.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2020, the Company had a working capital deficiency and has incurred ongoing losses. The Company has not yet realized any revenues from its operations. It will be required to raise new financing through the sale of shares or issuance of debt to continue with the exploration of its mineral properties. Although management intends to secure additional financing as may be required, there can be no assurance that management will be successful in its efforts to secure additional financing or that it will ever develop a self-supporting business. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020 the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which continues to spread, has adversely affected workforces, economies, and financial markets, leading to an economic downturn. It has also disrupted the normal operations of many businesses, and it is not possible for the Company to estimate the duration or magnitude of these adverse conditions.

NOTE 2 – BASIS OF PRESENTATION

Statement of Compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been authorized for issuance by the Company's board of directors on April 30, 2021.

NOTE 2 – BASIS OF PRESENTATION (Continued)

Basis of Presentation

These financial statements are presented in Canadian dollars and have been prepared on a historical cost basis except for financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The policies have been consistently applied to all years presented.

Functional Currency

The presentation currency of the Company and the functional currency of the Company is the Canadian Dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments and estimates 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 judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the 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 may affect both the period of revision and future periods.

Critical accounting judgements
Critical accounting judgments are the application of accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company did not make any critical accounting judgments during the year ended December 31, 2020.

Estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the recoverable amount of exploration and evaluation assets. Management has determined that exploration, evaluation, and related costs incurred which were capitalized on the Thunder Copper property may have future economic benefits and may be economically recoverable but the amount of recoverability is uncertain. The Company has recognized an impairment loss associated with the New Raven property.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary incorporated in British Columbia. Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its return. All intercompany transactions and balances have been eliminated on consolidation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets at Fair Value through Other Comprehensive Income ("FVTOCI")

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial instruments are classified as follows:

Financial assets/liabilities	Classification
Cash	FVTPL
Reclamation bond	Amortized cost
Trade and other payables	Amortized cost
Due to related parties	Amortized cost
Short-term loans	Amortized cost

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no significant loss allowance at December 31, 2020.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition and exploration of mineral claims and crediting all proceeds received against the cost of the related claims once legal right is obtained. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to profit or loss on a unit-of-production method based on proven and probable reserves.

The aggregate costs related to abandoned mineral claims are charged to profit or loss at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to property, plant and equipment as a development asset.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to profit or loss.

The amounts shown for exploration assets represent net costs incurred to the date of the financial statements and do not necessarily reflect present or future values.

Equipment

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in profit or loss on a declining balance basis at rates ranging from 20% to 30% per annum. Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted appropriately.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

At each financial position reporting date, the carrying amounts of the Company's 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. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's 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 or cash-generating unit 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 profit or loss for the period.

Where 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

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Valuation of equity units in private placements - The Company uses the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to warrants reserve. When warrants are exercised, the corresponding value is transferred from warrant reserve to share capital.

Share-based payment transactions

A share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided for based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

Proceeds from the issuance of flow-through shares are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow through share arrangements are renounced to investors in accordance with tax legislation. The Company accounts for flow-through shares whereby any premium paid for the flow-through shares in excess of market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in profit or loss at the same time the qualifying expenditures are made.

Provisions

Provisions are recognized when a legal or constructive obligation has been incurred as a result of past events; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as interest expense.

(Stated in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Site restoration liability

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through deprecation using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profit or loss as extraction progresses.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. For the years presented, this calculation proved to be anti-dilutive.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

	Thunder Copper Claims	New Raven Claim	Total
Balance, December 31, 2018	$ 97,766	$ 50,450	$ 148,216
Assays and geophysical	13,685	3,530	17,215
Geological Consulting	8,034	-	8,034
Reports, drafting and maps	14,366	-	14,366
Other	29,925	-	29,925
Balance, December 31, 2019	163,776	53,980	217,756
Claim Renewal	-	2,583	2,583
BC Mining Exploration Tax Credit	(3,889)	-	(3,889)
Impairment	-	(56,563)	(56,563)
Other	(450)	-	(450)
Balance, December 31, 2020	**$ 159,437**	**$ -**	**$ 159,437**

Thunder Copper Claims, British Columbia, Canada

The Company holds mineral claims located in the Lillooet Mining Division, British Columbia known as the Thunder Copper Property (formerly the "MIKE Claims" or the "Copper Mineral Claims").

(Stated in Canadian Dollars)

NOTE 4 – EXPLORATION AND EVALUATION ASSETS (Continued)

New Raven Claim, British Columbia, Canada

The Company holds a mineral claim in the Lillooet mining district of British Columbia. The Company has determined that the prospect for success on this claim is limited and that the recoverable amount is $nil. Accordingly, the Company has recognized an impairment loss related to this exploration and evaluation asset.

NOTE 5 – RECLAMATION BONDS

As at December 31, 2020, the Company has term deposits in the amount of $10,000 (2019 - $30,000) as security to the Province of British Columbia for future site reclamation. The Company evaluated its site restoration liability to be $nil as at December 31, 2020 (2019 - $nil).

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

	Equipment and Vehicle $	Total $
Cost:		
December 31, 2018	24,171	24,171
Additions/disposals	-	-
December 31, 2019	24,171	24,171
Additions/disposals	-	-
December 31, 2020	**24,171**	**24,171**
Accumulated depreciation:		
December 31, 2018	21,491	21,491
Depreciation	667	667
December 31, 2019	22,158	22,158
Depreciation	479	479
December 31, 2020	**22,637**	**22,637**
Carrying amounts:		
December 31, 2019	2,013	2,013
December 31, 2020	**1,534**	**1,534**

NOTE 7 – SHORT-TERM LOAN

In June 2020, the Company received two short-term loans from arm's length parties for gross proceeds of $150,000. Of this amount, $100,000 was repaid, with interest of $1,027. The remaining $50,000 short-term loan bears interest at an annual rate of 6.0% and does not have fixed repayment terms. There is $1,578 (2019 - $nil) of accrued interest on the outstanding short-term loan.

NOTE 8 – SHARE CAPITAL

(a) Authorized: unlimited number of common shares without par value.

(b) Issued:

Year ended December 31, 2020

On January 9, 2020, the Company issued a total of 2,400,000 units pursuant to a private placement, of which 200,000 were flow-through units. The units were valued at $0.05 per unit for a total value of $120,000. Of the $120,000 of total value, $72,000 was attributed to the warrant portion of the units.

As a result of non-compliance with the TSXV policies relating to this private placement, the TSXV required the Company to cancel 2,200,000 of the 2,400,000 units relating to this private placement. In January 2021, the Company cancelled those 2,200,000 units. As of December 31, 2020, these 2,200,000 units, valued at $110,000, have been recorded as “Units returnable” in the Shareholders’ Deficiency section of the consolidated statement of financial position with a corresponding balance in trade and other payables. None of these cancelled units are attributable to directors, officers or related parties.

Each of the remaining 200,000 units, which were issued to an arm’s length party, consists of one common share and one common share purchase warrant exercisable at a price of $0.07 for a period of two years.

Year ended December 31, 2019

During the year ended December 31, 2019, the Company completed a private placement of 1,000,000 flow-through units and 1,400,000 units for consideration of $0.025 per unit for gross proceeds of $60,000. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of $0.05 for a period of five years. No value was attributed to the warrant portion of the flow-through units and units.

(c) Share-based compensation

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

The Company had no options activity during the year ended December 31, 2020. As of December 31, 2020, the Company has no options outstanding.

(Stated in Canadian Dollars)

NOTE 8 – SHARE CAPITAL (Continued)

The continuity of stock options for the year ended December 31, 2019 is as follows:

Expiry Date	Exercise Price	Dec. 31, 2018	Granted	Exercised	Expired/ cancelled	Dec. 31, 2019
Feb. 5, 2019	$0.05	7,500	-	-	(7,500)	-
		7,500	-	-	(7,500)	-
Weighted-average		$0.05	-	-	$0.05	-

(d) Warrants

The continuity of warrants for the years December 31, 2020 and 2019 is as follows:

Expiry Date	Exercise Price	Dec. 31, 2019	Granted	Exercised	Expired/ cancelled/ returnable	Dec. 31, 2020
Dec. 7, 2020	$0.10	950,000	-	-	(950,000)	-
May 8, 2024	$0.05	2,400,000	-	-	-	2,400,000
Jan. 9, 2022	$0.07	-	2,400,000	-	(2,200,000)	200,000
		3,350,000	2,400,000	-	(3,150,000)	2,600,000
Weighted average		$0.065	$0.07	-	$0.08	$0.05

Expiry Date	Exercise Price	Dec. 31, 2018	Granted	Exercised	Expired/ cancelled/ returnable	Dec. 31, 2019
Aug. 22, 2019	$0.05	640,000	-	-	(640,000)	-
Dec. 7, 2020	$0.10	950,000	-	-	-	950,000
May 8, 2024	$0.05	-	2,400,000	-	-	2,400,000
		1,590,000	2,400,000	-	(640,000)	3,350,000
Weighted-average		$0.08	$0.05	-	$0.05	$0.065

(Stated in Canadian Dollars)

NOTE 9 – RELATED PARTY BALANCES AND TRANSACTIONS

a) Key management transactions

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel for the years ended December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Rent	$ -	$ 10,100
Consulting fees and management fees	125,200	156,750
	$ 125,200	$ 166,850

b) Due to related parties

As at December 31, 2020, the balance of Due to related parties is $587,759 (2019 - $477,720) and is comprised of $395,062 due to the president of the Company (2019 - $324,570), $1,000 due to the Company's former CEO (2019 - $1,000), $32,447 due to a private company affiliated with the Company's current CFO (2019 - $nil), and $159,250 (2019 - $144,250) due to a private Company whose owner is related to a current director. These amounts due to related parties are non-interest bearing, with no specific terms of repayment. In addition, there is an amount due to a private company affiliated with the Company's former CFO in the amount of $10,100 (2019 - $7,900, included in Due to related parties), which is included in Trade and other payables as of December 31, 2020.

NOTE 10 – FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, credit risk, liquidity risk and market risk.

a) *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions. As at December 31, 2020, the Company had no cash that exceeded the amounts covered under federal deposit insurance. Receivables are due from a government agency.

b) *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company is exposed to liquidity risk. The Company will be required to raise debt or equity in order to meet its ongoing operating obligations.

NOTE 10 – FINANCIAL INSTRUMENTS (Continued)

c) *Market Risk*

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is not exposed to foreign currency risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not significantly exposed to other price risk.

d) *Classification of Financial instruments*

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value.

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 Company has valued its cash using Level 1 inputs as at December 31, 2020. The fair value of reclamation bonds, short-term loan, due to related parties, and trade and other payables approximate their carrying values because of the short-term nature of these instruments.

(Stated in Canadian Dollars)

NOTE 11 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes shareholders deficiency.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

NOTE 12 – SEGMENTED INFORMATION

The Company operates in one operating segment in one geographic region being the acquisition and exploration of mineral properties in Canada.

NOTE 13 – INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2020	December 31, 2019
Loss before income taxes	$ (243,289)	$ (356,136)
Expected income tax recovery at statutory tax rates	(66,000)	(96,000)
Impact of flow-through shares	-	7,000
Change in unrecognized deductible temporary differences	63,000	88,000
Change in statutory rate and other items	3,000	1,000
Total reported taxes	$ -	$ -

The significant components of the Company's unrecorded deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Exploration and evaluation assets	$ 235,000	$ 223,000
Property and equipment	9,000	9,000
Non-capital losses available for future period	715,000	664,000
Total unrecognized deferred tax assets	$ 959,000	$ 896,000

Tax attributes are subject to review and potential adjustment by tax authorities.

(Stated in Canadian Dollars)

NOTE 13 – INCOME TAXES (Continued)

The significant components of the Company's unrecognized temporary differences and unused tax losses are as follows:

	December 31, 2020	Expiry dates	December 31, 2019	Expiry dates
Exploration and evaluation assets	$ 872,000	No expiry	$ 825,000	No expiry
Property and equipment	32,000	No expiry	33,000	No expiry
Non-capital losses	2,646,000	2026-2040	2,460,000	2026-2039
	$ 3,550,000		$ 3,318,000	

NOTE 14 – SUBSEQUENT EVENT

Subsequent to December 31, 2020, the Company cancelled 2,200,000 units as further described in note 8(b).