CURRIE ROSE RESOURCES INC.

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019
(Stated in $CAD)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Currie Rose Resources Inc.

Opinion

We have audited the consolidated financial statements of **Currie Rose Resources Inc.** ("the Company"), which comprise the consolidated balance sheets as at December 31, 2020 and December 31, 2019, and the consolidated statements of net income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Currie Rose Resources Inc.** as at December 31, 2020 and December 31, 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(d) in the consolidated financial statements, which indicates that the Company has not yet achieved profitable operations, has accumulated losses of $16,986,251 (2019 - $16,553,823), working capital deficiency of $314,681 (2019 - $539,689 surplus) and net comprehensive loss for the year of $432,428 (2019 - $70,967) and expects to incur future losses in the development of its business. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

To the Shareholders of Currie Rose Resources Inc. (Continued)

Auditor’s Responsibilities for the Audit of the 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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identity 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 a 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 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 condition 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 29, 2021

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2020 AND 2019
(Stated in $CAD)

	2020	2019
ASSETS		
Current:		
Cash	$ 79,491	$ 5,620
Accounts receivable (Note 6)	18,006	43,519
Prepaid expenses	4,116	3,839
Marketable securities (Note 7)	328,500	880,000
	430,113	932,978
Long term:		
Resource properties (Note 8)	1,347,785	925,843
	$ 1,777,898	$ 1,858,821
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 9)	$ 439,220	$ 344,998
Advance from Accelerate (Note 8(2)(b))	305,574	-
Loan payable - related party (Note 10))	-	48,291
	744,794	393,289
SHAREHOLDERS' EQUITY		
Common shares (Note 11)	16,358,373	16,358,373
Contributed surplus	1,441,480	1,391,530
Warrants (Note 12)	8,000	8,000
Share based compensation (Note 13)	186,876	236,826
Accumulated deficit	(16,986,251)	(16,553,823)
Accumulated comprehensive income	24,626	24,626
	1,033,104	1,465,532
	$ 1,777,898	$ 1,858,821

Going concern (Note 2(d))

Commitments (Note 16)

Subsequent events (Note 20)

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

Approved on behalf of the Board:

"Michael Griffiths" Director   *"Stephen Coates"* Director

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

YEARS ENDED DECEMBER 31, 2020 AND 2019

(Stated in $CAD)

	2020	2019
Expenses		
Management fees	**$ 192,000**	$ 192,000
Listing fees and shareholder information	**32,932**	26,593
Professional fees	**23,113**	27,240
Travel and promotion	**4,911**	25,638
Office and general	**4,546**	14,771
Consulting fees	**-**	19,000
Share based compensation (Note 13(c))	**-**	111,315
	257,502	416,557
Loss from operations before undernoted items	**(257,502)**	(416,557)
Gain on sale of Scadding property (Note 8(4))	**-**	377,590
Realized loss on sale of marketable securities (Note 7)	**(120,981)**	-
Decrease in fair value of marketable securities (Note 7)	**(53,945)**	(32,000)
Net loss and comprehensive loss	**$ (432,428)**	$ (70,967)
Basic loss per share (Note 11(e))	**$ (0.010)**	$ (0.002)
Diluted	**$ (0.010)**	$ (0.002)

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

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2020 AND 2019

(Stated in $CAD)

	Note	Common shares Number	Common shares Amount	Contributed surplus	Warrants	Share based compensation	Accumulated deficit	Accumulated other comprehensive income	Total
As at January 1, 2019		**38,431,004**	**$ 16,181,373**	**$ 1,354,528**	**$ 37,002**	**$ 125,511**	**$ (16,482,856)**	**$ 24,626**	**$ 1,240,184**
Net loss and comprehensive loss for period		-	-	-	-	-	(70,967)	-	(70,967)
Shares issuance re Rossland Project	**11(a)**	3,000,000	165,000	-	-	-	-	-	165,000
Proceeds on private placement	**11(b)**	400,000	12,000	-	8,000	-	-	-	20,000
Share based compensation	**13(c)**	-	-	-	-	111,315	-	-	111,315
Expiry of warrants		-	-	37,002	(37,002)	-	-	-	-
As at December 31, 2019		**41,831,004**	**16,358,373**	**1,391,530**	**8,000**	**236,826**	**(16,553,823)**	**24,626**	**1,465,532**
Net loss and comprehensive loss for period		-	-	-	-	-	(432,428)	-	(432,428)
Expiry of stock options	**12**	-	-	49,950	-	(49,950)	-	-	-
As at December 31, 2020		**41,831,004**	**$ 16,358,373**	**$ 1,441,480**	**$ 8,000**	**$ 186,876**	**$ (16,986,251)**	**$ 24,626**	**$ 1,033,104**

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

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Stated in $CAD)

	2020	2019
Operating activities		
Net loss for period	**$ (432,428)**	$ (70,967)
Add (deduct) items not affecting cash		
Realized loss on sale of marketable securities	**120,981**	-
Decrease in fair value of marketable securities	**53,945**	32,000
Share based compensation	**-**	111,315
Gain on sale of Scadding property	**-**	(377,590)
	(257,502)	(305,242)
Change in non-cash working capital items		
Accounts receivable	**25,513**	(12,774)
Prepaid expenses	**(277)**	14,269
Accounts payable and accrued liabilities	**135,051**	225,433
	(97,215)	(78,314)
Investing activities		
Resource property expenditures	**(421,942)**	(223,571)
Proceeds on sale of Scadding property, net of legal fees	**-**	45,768
Proceeds on sale of marketable securities	**335,745**	-
	(86,197)	(177,803)
Financing activities		
Proceeds from issuance of common shares and warrants	**-**	20,000
Advance from Accelerate, net of transaction costs	**305,574**	-
Loan payable - related party	**(48,291)**	48,291
	257,283	68,291
Change in cash	**73,871**	(187,826)
Cash, beginning of year	**5,620**	193,446
Cash, end of year	**$ 79,491**	$ 5,620
Non-cash transactions:		
Common shares issued re Rossland Project acquisition (Note 11(c))	**$ -**	$ 165,000
Marketable securities received on sale of Scadding property (Note 7)	**-**	912,000
Accounts payable settled in marketable securities (Note 15(b))	**41,157**	-
	$ 41,157	$ 1,077,000

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

1. Nature of Operations

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". Currie Rose is a precious metal explorer focused on identifying high value assets in Canada and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities with the current focus on the Rossland Gold Project in British Columbia *(see note 8(2))*. The head office and principal address of the Company is located at 401 Bay Street, Suite 2704, Toronto, Ontario, Canada, M5H 2Y4.

2. Basis Of Presentation And Going Concern

(a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors on April 29, 2021.

(b) Basis of presentation

Unless otherwise stated, the consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains the majority of its financing through Canadian dollar private placements. The Canadian dollar is also the Company's functional currency for Canadian exploration activities and its corporate head office in Canada.

(c) Risk and uncertainty as a result of the global COVID-19 pandemic

Consistent with other businesses globally, the Company's operations have been adversely affected by the effects of the widespread global outbreak of COVID-19. At the same time, Currie's corporate office has closed and executives are working remotely until further notice. As the Company's exploration is focused in British Columbia, Currie is adhering to the new Health and Safety Guidelines set by the BC provincial government, which includes revised work protocols to limit the spread of COVID-19. The exploration program for 2020 included ground based geophysical surveys that require very limited personnel and limited drilling. As our personnel are accommodated locally and not in a camp situation, the return-to-work protocols and a safe working environment will need to accommodate appropriate controls to ensure the safety of our personnel and their families. While the Company continues to advance its exploration activity, the timelines for future studies and exploration could be impacted, depending on both the continued duration and severity of the COVID-19 pandemic.

2 **BASIS OF PRESENTATION AND GOING CONCERN, CONTINUED**

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the Company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines. As of the filing date of these consolidated financial statements for the year ended December 31, 2020, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these consolidated financial statements.

(d) **Going concern**

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

As at December 31, 2020, the Company had no source of operating cash flow and had an accumulated deficit of $16,986,251 (2019 - $16,553,823). Working capital as at December 31, 2020 was a deficiency of $314,681 compared to a surplus of $539,689 as at December 31, 2019. Net comprehensive loss for the year ended December 31, 2020 was $432,428 (2019 - $70,967). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests.

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. The unknown economic impact, continued duration and severity of the COVID-19 pandemic that has developed since March, 2020 will most likely affect the Company's ability to access capital markets and secure sufficient financing for future exploration. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated financial statements have been prepared.

3. Significant Accounting Policies

The accounting policies followed in these consolidated financial statements are consistent with those disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2019, including those below:

(a) Basis of consolidation

These consolidated financial statements include the accounts of Currie Rose Resources Inc. and its wholly owned subsidiary, Currie Rose Resources (T) Limited, as at and for the years ended December 31, 2020 and 2019. A subsidiary is an entity controlled by the Company. Control exists when the Company has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed when necessary to align them with the policies applied by the Company in these consolidated financial statements. All intercompany balances, income and expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated in full.

(b) Investments

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments are initially recognized at fair value, with changes in fair value reported in profit or loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in profit or loss. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

Publicly-traded investments:

Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

Securities that are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

(c) **Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instruments.

Financial assets and financial liabilities are initially measured at fair value and are classified as Fair Value through Profit or Loss ("FVTPL"), Fair Value Through Other Comprehensive Income ("FVTOCI") or amortized costs. The classification is determined at initial recognition and is dependent on the business model in which a financial asset is managed and the characteristics of the contractual cash flows. A financial liability is classified as amortized cost at initial recognition unless it is classified as FVTPL (derivative instrument or is specifically designated as FVTPL). Financial liabilities classified as amortized cost are subsequently measured using the effective interest method while financial liabilities at FVTPL are subsequently measured at fair value with changes in fair value recognized in consolidated statements of operations in the period in which such changes arise.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(c) **Financial instruments, continued**

The Company's financial assets and liabilities are classified into the following categories:

Caption	Measurement
Cash	Fair value
Accounts receivable	Amortized cost
Marketable securities	Fair value
Accounts payable and accrued liabilities	Amortized cost
Loan payable - related party	Amortized cost
Advance from Accelerate	Amortized cost

The classification of financial instruments depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(c) **Financial instruments, continued**

Financial liabilities at amortized cost

Accounts payable and accrued liabilities are classified as amortized cost. Subsequent to initial recognition, these liabilities are carried at amortized cost, using the effective interest method.

Impairment of financial assets

At each reporting date, each financial asset measured at amortized cost is assessed for impairment under an expected credit loss (ECL) model. The Company applies the simplified approach which uses lifetime ECLs for receivables.

(d) **Resource properties**

Resource properties are recorded at cost on an area of claims basis and carried as an asset until the results of the project are known. Cost includes initial acquisition costs of the property and exploration expenses incurred with respect to the property, net of any recoveries received with respect to option agreements entered into related to the property. In the event a commercial ore deposit is located, cost will be amortized against income by the unit of production method. In the event of an abandonment, sale, or the expiration of an area of claims, cost will be written off against income. Any costs incurred in the review of properties for possible acquisition, such as travel and geological consulting, are expensed as incurred, and only capitalized once the acquisition decision has been reached by management.

The cost of resource properties does not necessarily reflect present or future values. The ultimate realization of the amounts shown as resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the successful commercial development and exploration of the areas of interest, including the ability to obtain necessary financing to complete development or alternatively by their sale.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Based on annual impairment reviews by management, or circumstances indicating that the net carrying amount of these resource property costs will not be recovered, the carrying value is written down to fair value and charged against operations. Indicators of impairment would include any of: (i) exploration activities have ceased, (ii) exploration results are not promising such that exploration will not be planned for the foreseeable future, (iii) lease ownership right expired, (iv) funding is not available to complete the exploration program, or (v) the sale of the property.

Indicators of impairment will be impacted depending on both the continued duration and severity of COVID-19. The unknown economic impact of COVID-19 could affect the company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines.

(e) **Share capital**

Common shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common shares just prior to the date of issuance.

Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded using the residual method, whereby the proceeds of the private placement are allocated first to the common shares at the lesser of the common share's fair value and the gross proceeds of the private placement, with any residual amounts then being allocated to the common share purchase warrants.

Share issuance expenses are applied against share capital.

(f) **Share based compensation**

The Company recognizes as compensation the fair value of common share purchase warrants or stock options issued in exchange for services provided by officers and directors and outside consultants. The cost of officer and director compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the granting date. The cost of outside consultant compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the earlier of a) date when performance is complete, b) date on which a commitment for performance by the counterparty to earn the compensation is reached, or c) the grant date. Compensation expense is recognized over the vesting period of the related instrument granted or the service period for which such instrument is granted, whichever is shorter.

The proceeds from the exercise of stock options or warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to common share purchase warrants or options.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the common share purchase warrants and stock options issued.

(g) **Foreign currency translation**

Translation to functional currency

All transactions taking place in currencies other than the functional currency of the related operating segment are recorded in the functional currency on the date of the transaction using the spot exchange rate between the functional currency and the transactional currency. At the end of the reporting period, monetary items in currencies other than the functional currency are translated using the closing rate on such date. Non-monetary items in currencies other than the functional currency are measured using the historical exchange rate in effect when the transaction occurred. Exchange gains and losses arising on the translation of monetary items to the functional currency are included in other income (expense) for the year.

Translation to presentation currency

Amounts in a functional currency that are not the presentation currency are translated to the presentation currency as follows: assets and liabilities are translated at the closing rate at the end of the period; income and expenses are translated at the exchange rate at the dates of the transactions. All resulting differences are recognized in other comprehensive income.

(h) **Income taxes**

The Company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The amount of future tax assets recognized is limited to the amount, if any, that is considered to be more likely than not to be realized.

(i) **Accumulated other comprehensive income**

Net comprehensive loss is comprised of net loss and other comprehensive loss. Certain gains and losses arising from changes in fair value are temporarily recorded outside the consolidated statements of loss in accumulated comprehensive income ("AOCI") as a separate component of consolidated shareholders' equity. Other comprehensive loss includes any unrealized gains and losses on available-for-sale securities.

3. **SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

(j) **Provisions and contingencies**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) **Loss per share**

Basic loss per share amounts are calculated by dividing consolidated net loss for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the consolidated net loss attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares. Diluted loss per share amounts are not presented if their inclusion would be anti-dilutive.

(l) **Use of estimates**

The preparation of these consolidated financial statements requires management to make estimates and judgements about the future that affect the amounts recorded in the consolidated financial statements. These estimates and judgements are based on the Company's experience and management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and judgements.

4. **RECENTLY ADOPTED ACCOUNTING STANDARDS**

(a) **IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors":** These standards have been amended to use a consistent definition of materiality throughout all accounting standards, clarify the explanation of the definition of material and incorporate some of the guidance in IAS 1 about immaterial information. The amendments are effective for annual periods beginning on or after January 1, 2020. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

4. **RECENTLY ADOPTED ACCOUNTING STANDARDS, continued**

(b) **IFRS 3 "Business Combinations":** This standard has been amended to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributions to the ability to create outputs. The amendments are effective for annual periods beginning on or after January 1, 2020. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

5. **RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

As at the date of authorization of these condensed consolidated financial statements, the IASB has issued the following new or revised standards as detailed below.

(a) **IFRS 16 "Leases":** This standard has been amended to provide lessees with an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. This amendment is effective for annual periods beginning on or after June 1, 2020. At this time, the Company has not received rent concessions related to COVID-19 and therefore, this amendment is not expected to have a significant impact on the consolidated financial statements.

(b) **IAS 16 "Property, Plant and Equipment":** This standard has been amended to prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use, clarify that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset and require certain related disclosures. The amendments are effective for annual periods beginning on or after January l, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.

(c) **IAS 1 "Presentation of Financial Statements", and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors":** This standard has been amended to clarify the classification of liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.

(d) **IAS 37 "Provisions":** This standard has been amended to clarify that, before a separate provision for an onerous contract is established, an entity recognizes an impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract and to clarify the meaning of costs to fulfil a contract. The amendments are effective for annual periods beginning on or after January l, 2022. The Company has not yet assessed the impact of the amendments on the consolidated financial statements.

5. Recently Issued Accounting Pronouncements, continued

(e) **IFRS 9 "Financial Instruments":** This standard has been amended to address which fees should be included in the 10% test for derecognition of financial liabilities. This amendment is effective for annual periods beginning on or after January 1, 2022. The Company has not yet assessed the impact of the amendment on the consolidated financial statements.

6. Accounts Receivable

	2020	2019
Refundable HST ITC's	**$ 18,006**	$ 18,519
Share subscription receivable	**-**	25,000
	$ 18,006	$ 43,519

The share subscription receivable as at December 31, 2019 was part of the private placement that closed in August, 2018, was due from a related party *(see note 15(b))*, and was paid in full in November, 2020. The refundable HST ITC claim was paid in full in March, 2021.

7. Marketable Securities

	2020		2019	
	Shares	$	Shares	$
MacDonald Mines Exploration Ltd.	**3,650,000**	$ 328,500	8,000,000	$ 880,000

As part of the sale of its in interest in the Scadding property *(see note 8(4))*, the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. Based on the trading price as of the closing date of the sale of September 24, 2019, the investment was recognized at an initial value of $912,000. The Company recognized a decline in market value of $32,000 as at December 31, 2019.

During the year ended December 31, 2020, the Company sold 4,350,000 shares for gross proceeds of $376,902, realizing a loss on disposal of $120,981. A decrease in fair value of $53,945 has been recognized during the year ended December 31, 2020 through FVTPL, such that the remaining 3,650,000 shares are being carried at their market value of $328,500.

8. Resource Properties

	Opening	Acquisition costs	Geological and technical	Professional fees	Travel and admin costs	Value attributed to net smelter royalty	Sale of interest	Closing
Year ended December 31, 2019								
Scadding, Canada	$ 577,646	$ -	$ -	$ 2,531	$ -	$ -	$ (580,177)	$ -
Rossland, Canada	539,803	319,000	15,543	6,512	44,983	-	-	925,841
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	$ 1,117,451	$ 319,000	$ 15,543	$ 9,043	$ 44,983	$ -	$ (580,177)	$ 925,843
Year ended December 31, 2020								
Rossland, Canada	$ 925,841	$ 125,000	$ 235,646	$ 19,110	$ 42,187	$ -	$ -	$ 1,347,784
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	$ 925,843	$ 125,000	$ 235,646	$ 19,110	$ 42,187	$ -	$ -	$ 1,347,786

8. **RESOURCE PROPERTIES, CONTINUED**

(1) Carrying values

The carrying values of the Company's resources properties, namely the Rossland Project in British Columbia, at December 31, 2020 were $1,347,786 (December 31, 2019 - $925,843). Management's review of these carrying values indicated that, at as December 31, 2020, the properties were not impaired (see also *8(3)(l))*. Included in these balances are nominal carrying values with respect to a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

(2) Rossland Project - Accelerate transaction

(a) Due diligence exploration program and potential earn-in agreement on Rossland Gold Project

On August 31, 2020, the Company announced that it has entered into a binding term sheet with Accelerate Resources Ltd ("Accelerate") (ASX: AX8) with respect to its Rossland Project ("Rossland" or the "Project").

(b) **Accelerate transaction highlights**

(i) Accelerate will make available CAD $500,000 to Currie Rose to fund a due diligence exploration program on the Project (the "Due Diligence Program"), with Currie Rose managing the program at the direction of Accelerate. As at December 31, 2020, Accelerate had made gross advances under this agreement totalling $335,957, net of transaction costs of $30,383, for a carrying value of $305,574.

(ii) On completion of the Due Diligence Program, Accelerate can elect to acquire 51% of the Project by issuing 12,500,000 ordinary shares in Accelerate to Currie Rose and making a CAD $200,000 cash payment.

(iii) Accelerate can earn the remaining 49% of the Project by spending CAD $1,000,000 within 14 months of Accelerate acquiring the initial 51% of the Project. The Company retains meaningful exposure to the potential upside of Rossland through its equity exposure in Accelerate, and a milestone payment of 15,000,000 performance rights on commercial production (which will be issued to Currie Rose subject to Accelerate acquiring 100% of the Project).

8. **RESOURCE PROPERTIES, CONTINUED**

(c) **Accelerate transaction details**

Currie Rose has concluded a binding term sheet with Accelerate pursuant to which the parties agreed to complete the due diligence program and, subject to certain conditions, to enter into a definitive earn-in agreement allowing Accelerate to acquire up to 100% of Rossland from Currie Rose. Accelerate is entirely arm's length to Currie Rose.

The key terms of the agreement are as follows:

(i) Subject to certain conditions being satisfied or waived, Accelerate will loan Currie Rose CA $500,000 to be spent over 8 months (the "Due Diligence Period") to fund a targeted due diligence exploration program acceptable to Accelerate.

(ii) At completion of the Due Diligence Period *(see note 8(2)(f))*, Accelerate has the right to proceed with an earn-in agreement. Should Accelerate decide not to proceed with an earn-in agreement, Currie Rose must repay the loan through the issuance of common shares at an agreed-upon price of $0.06 per share. This share issuance would not result in a change of control of Currie Rose.

(iii) If the parties enter into an earn-in agreement, Accelerate would acquire a 51% interest in the Project (the "Stage 1 Earn In") by:
- ♦ Issuing 12.5 million Accelerate ordinary shares to Currie Rose; and
- ♦ Paying CAD $200,000 in cash to Currie Rose.

(iv) If Accelerate completes the Stage 1 Earn-In, it could earn the remaining 49% by:
- ♦ Incurring exploration expenditures of an additional $1,000,000 within 14 months of completing the Stage 1 Earn In;.
- ♦ Issuing 25 million Accelerate ordinary shares to Currie Rose;
- ♦ Paying CAD $250,000 in cash to Currie Rose; and
- ♦ Issuing to Currie Rose 15,000,000 performance rights which shall convert into fully paid ordinary shares in the capital of Accelerate upon achieving a 500,000 oz (JORC) @ minimum grade of 7 g/t gold (JORC) or on achieving 'Commercial Production'

(d) **Subsequent project management**

Upon acquiring a 51% interest in the Project, Accelerate would become Project Manager and Mr. Michael Griffiths (President and CEO of Currie Rose) would join the board of Accelerate as Technical Director.

8. **RESOURCE PROPERTIES, CONTINUED**

(e) **Required approvals**

The earn-in agreement described above remains subject to approval of the TSX Venture Exchange, as well as approval of the ASX and shareholders of Accelerate, among other conditions. In addition, the issuance of common shares of Currie Rose to repay the loan from Accelerate remains subject to approval of the TSX Venture Exchange.

(f) **Termination of agreement with Accelerate**

On April 27, 2021, the end of the eight month due diligence period (*see note 8(2)(c)(ii))*, Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances.of $500,000 into 8,333,333 common shares of the Company at the previously agreed upon price of $0.06 per share.

(3) Rossland Project - acquisition history

(a) On April 13, 2018, the Company announced it had secured two option agreements over the Rossland Project (the "Rossland Project"), which together cover approximately 2,000 hectares of the Rossland mining camp that produced more than 2.7 million ounces of gold, 3.5 million ounces of silver and 71 tonnes of copper between 1894 and 1941 and ranks as the third largest lode gold camp in British Columbia.

(b) Under the terms of the agreements, which were approved by the TSX Venture Exchange on May 16, 2018, Currie Rose has the right to acquire 100% of the Rossland Project from two private companies ("option holders") via a 3-stage, 4-year option, as follows:

(c) (i) **Stage 1: 1-12 months**
Upfront payment of $50,000 and issuance of 1,000,000 Currie Rose shares to each of the option holders;
Minimum expenditure of $500,000 on each option agreement;
Investment by Currie Rose beyond the first year will be contingent on positive results;
Providing written notice to the Optionor, no later than 1 month prior to the first anniversary, of its intention to proceed to Stage 2.

(ii) **Stage 2: 13-24 months**
Upon proceeding to Stage 2, payment of $75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 1st anniversary.
Payment of further $75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders on the 2nd anniversary.
Minimum expenditure of $750,000 on each option agreement.

8. **RESOURCE PROPERTIES, CONTINUED**

(3) Rossland Project - acquisition history, continued

(iii) **Stage 3: 25-48 months**
Funding and completing a feasibility study - one study to apply to both option holders;
Payment of $100,000 and issuance 2,000,000 Currie Rose shares on the 3rd anniversary (to each of the option holders);
Payment of $100,000 and issuance of 2,000,000 Currie Rose shares on the 4th anniversary (to each of the option holders).

(d) On completion of the feasibility study or the payment obligations, the Company will own 100% of the project and will grant separately, to each option holder, a 2% NSR with Currie Rose having an option to purchase from each option holder one-half (1%) of the NSR for payment of $1,000,000.

(e) On May 17, 2018, the Company received approval from the TSX Venture Exchange of the Rossland Project acquisition and the issuance of the 1,000,000 common shares to each of the two option holders, or collectively 2,000,000 common shares. The Exchange has accepted all filing documentation including a National Instrument 43-101 Technical Report (the "Technical Report") on the Rossland Project relating to the Company's first option agreement for the acquisition of 100% of the GNB property and second option agreement for the acquisition of 100% of the COE property. The GNB property and the COE properties together comprise the Rossland Project.

(f) On June 13, 2018, the Company entered into a Purchase and Sale Agreement (the "Agreement") to acquire a 100% interest in the "Golden 8 Claim" which adjoins the south western boundary of the recently optioned Rossland Project. The Golden 8 Claim covers 296.5 hectares of the highly prospective Rossland "South Belt" and increases the coverage of Company's Rossland Project (part of the Rossland Mining Camp) to approximately 2,230 hectares.

Under the terms of the Agreement, Currie Rose exercised its right to acquire 100% of the Golden 8 Claim from a private vendor via cash payments made as follows: (i) $16,000 on execution of the Agreement, and (ii) $16,000 made in September, 2018.

The vendor retains a 2% NSR, while the Company has a right of repurchase of one half of the NSR (1%) by paying the vendor $1 million.

(g) Under the terms of the Option Amending Agreement dated February 27, 2019, the Company and the option holders agreed to extend the expenditure periods of both option agreements that make up the Rossland Project *(see note 8(3))* by 3 months to July 12, 2019 to enable drilling and other exploration work to be completed.

8. **RESOURCE PROPERTIES, CONTINUED**

(3) Rossland Project - acquisition history, continued

(h) Under the terms of the Second Amending Agreement To The Option Agreement dated April 11, 2019, the following transactions occurred in satisfaction of the Company's obligations arising on the first anniversary of the Rossland Project, namely:

- $10,000 of the $75,000 anniversary payment was paid for each of the two options ($20,000 in total)
- The parties agreed to pay the remaining $65,000 for each of the two options either on closing of a financing or with 6 months (whichever comes first) *(see note 8(3)(j))*
- 1,500,000 shares were issued for each of the two options, or 3,000,000 shares in total *(see note 11(c))*

(i) On August 21, 2019, the parties agreed to the Third Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to reflect current market conditions. Under the revised terms, the Company and the option holders agreed to reduce the exploration expenditure requirements for Stage 2 and further agreed to remove the issue of all remaining Currie Rose shares (8 million shares) in exchange for increased cash payments as set out below:

Stage 2 - April 2019 - April 2020

- Minimum expenditure of $500,000 (previously $750,000) for each company; payment of $125,000 on the 2nd anniversary (per company);

Stage 3 - April 2020-April 2022

- Funding and completing a feasibility study - one study to apply to both companies, payment of $150,000 on the 3rd anniversary (per company);
- Payment of $175,000 on the 4th anniversary (per company).

All other conditions of the agreements remain unchanged.

(j) Under the terms of the Second Amending Agreement To The Option Agreement re the Rossland Project *(see note 8(3)(h))*, the Company was required to make further payments of $65,000 on each of the two options by the earlier of (i) closing of a financing, or (ii) within 6 months, or October 12, 2019.

8. **RESOURCE PROPERTIES, CONTINUED**

(3) Rossland Project - acquisition history, continued

The required payments were not made by the due date, upon which the Company received a Notice of Default on October 16, 2019. The Notice of Default indicated that in the event that the default was not cured or disputed within 30 days, the option holders may then provide Notice of Termination of the Option Agreement to Currie Rose pursuant to Clause 11.03 of the Option Agreement.

On November 15, 2019, the option holders accepted two payments of $30,000 ($60,000 in total) as partial payment of each remaining $65,000 obligation ($130,000 in total), and agreed to forbear any further steps toward termination of the Option Agreement re the Rossland Project pending receipt of the balance of the funds due of $70,000 in total. The remaining balance was paid in full in January, 2020.

(k) Effective March 30, 2020, the parties agreed to the Fourth Amending Agreement To The Option Agreement to amend the original terms of the option agreements for the Rossland project to take into account current market conditions as well as practical limitations on work requirements due to the global COVID-19 pandemic.

Under the revised terms, the option holders have agreed to forgo all expenditure requirements for the current Stage 2 period and have further agreed to reduce the total minimum expenditure to $1,000,000 and to be completed by January 14, 2023.

The Company is to maintain the claims in good standing by paying all permit and statutory expenditures and has further agreed that should the Company not meet the new minimum expenditure, it can rectify any breach by paying the option holders a total of $100,000 cash.

The overall option payments previously agreed to remain in place. However, the option holders have agreed to accept quarterly instalments thereby extending the term to April, 2023 (from the initial date of April, 2022), as follows: Stage 2 - quarterly payments of $62,500 ($250,000 annually) beginning July 14, 2020; Stage 3 - quarterly payments of $75,000 ($300,000 annually) beginning July 14, 2021; Stage 4 - quarterly payments of $87,500 ($350,000 annually) beginning July 14, 2022.

(l) **Termination of one of two Rossland option agreements**

On April 14, 2021, the Company gave the required 10 days' Notice of Termination to 0811662 BC Ltd., one of the two option holders of the Rossland Project, under Section 11.01 of the option agreement dated April 12, 2018. As a result of this termination, 50% of the aggregate mining costs re the Rossland Project will be written off as of that date. The Company still maintains its other agreement with the remaining Rossland option holder.

8. Resource Properties, continued

(4) Scadding Township, Ontario, Canada

On April 24, 2019, the Company reached agreement in principle to sell its 49% interest in the Scadding Project ("Scadding") to MacDonald Mines Exploration Ltd. (TSX-V: BMK) ("MacDonald Mines").

Under the agreed terms, Currie Rose sold its 49% interest in the Scadding Project in exchange for:

- 8,000,000 shares of MacDonald Mines
- $50,000 payment on transfer of title
- 3% NSR
- $2,000,000 cash payment upon reaching commercial production - with a resulting decrease of the NSR to 2.5%
- NSR buyback of 1% for $1,000,000
- Work obligation of $1.5m over a three-year period

The sale closed on September 24, 2019 *(see note 7)* and was recorded as follows:

Shares of MacDonald Mines	$	912,000
Cash		50,000
Total consideration received		962,000
Carrying cost		580,177
Costs of disposition		4,233
Gain on disposition	$	377,590

9. Accounts Payable And Accrued Liabilities

		2020		2019
Trade accounts payable	**$**	**417,220**	$	252,498
Accrued liabilities		**22,000**		92,500
	$	**439,220**	$	344,998

Trade accounts payable as at December 31, 2020 includes $341,574 (December 31, 2019 - $234,377) of unpaid management fees owing to the related parties disclosed in note 15. Accrued liabilities as at December 31, 2020 includes $Nil (December 31, 2019 - $70,000) related to Rossland option payments (*see note 8(3)(j))*, which amount was paid in January, 2020.

10. Loan Payable - Related Party

Over the course of 2019, an entity controlled by the CEO made loan advances of $48,291 to the Company. The loan bore interest at 3% per annum, was unsecured and due on demand, and was repaid in full on March 27, 2020.

11. Share Capital

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the condensed consolidated statements of changes in shareholders' equity for the period from January 1, 2019 to December 31, 2020. Descriptions of the significant changes in each component are as follows:

(a) Common shares issued re Rossland Project - April, 2019

On April 16, 2019, the Company issued 3,000,000 common shares valued at $165,000 in satisfaction of its obligations arising on the 1st anniversary of the Rossland Project acquisition *(see note 8(3)(c)((ii))*.

(b) Private placement - December 27, 2019

(i) On December 27, 2019, the Company closed a private placement of 400,000 units at a price of $0.05 each for gross proceeds of $20,000, with each unit comprised of one common share and one share purchase warrant. Under the offering, the Company issued a total of 400,000 common shares and 400,000 warrants. The securities will be subject to hold periods in accordance with requisite securities laws. The exercise price of the warrants is $0.10 per warrant, with an expiry date of October 21, 2021. Proceeds from this offering were used for work on the Company's Rossland project and general working capital.

(ii) Of the gross proceeds received, $8,000 were allocated to warrants using the residual method of valuation, as the unit price of $0.05 was in excess of the trading price of the common shares of $0.03 on the closing date.

(c) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the year ended December 31, 2020 was 41,831,004 ((2019 - 40,606,344).

The potentially dilutive equity instruments outstanding were (i) 2,850,000 stock options (2019 - 3,170,000), and (ii) 400,000 common share purchase warrants (2019 - 5,650,000). The fully diluted number of common shares outstanding for the year ended December 31, 2020 was 45,081,004 (2019 - 50,651,004).

12. WARRANTS

The following tables reflect the continuity of warrants for the years ended December 31, 2020 and 2019, as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Warrants	**Weighted-average exercise price ($)**	Warrants	Weighted-average exercise price ($)
Outstanding, beginning of year	**5,650,000**	**0.100**	16,900,480	0.100
Expired in reporting period	**(5,250,000)**	**0.100**	(11,650,480)	0.100
Issued as part of private placement that closed December 27, 2019 *(note 11(b))*	**-**	**-**	400,000	0.100
Outstanding, end of year	**400,000**	**0.100**	5,650,000	0.100

As at December 31, 2020, the issued and outstanding warrants to acquire common shares of the Company are as follows:

	Number of warrants				
Grant date	**Granted**	**Exercisable**	**Exercise price ($)**	**Remaining life**	**Expiry date**
December 27, 2019	400,000	400,000	0.100	0.8	October 31, 2021

13. STOCK OPTIONS

The Company has a stock option plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. TSX Venture Exchange has accepted for filing the Company's stock option plan which was approved by the Company's shareholders at the Annual General Meeting held on June 14, 2018. The plan has been converted to a rolling plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan from a previous fixed maximum.

The stock option plan indicates that options vest at time of granting, except options granted to consultants performing investor relation activities, which must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

13. STOCK OPTIONS, continued

Stock option activity for the years ended December 31, 2020 and 2019 was as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Options	**Weighted -average exercise price ($)**	Options	Weighted-average exercise price ($)
Outstanding, beginning of year	**3,170,000**	**0.093**	1,120,000	0.125
Granted effective February 6, 2019 *(see note 13(a))*	**-**	**-**	2,050,000	0.075
Expired unexercised during the year	**(320,000)**	**-**	-	-
Outstanding, end of year	**2,850,000**	**0.089**	3,170,000	0.093

As at December 31, 2020, the issued and outstanding options to acquire common shares of the Company are as follows:

	Number of options				
Grant date	**Granted**	**Exercisable**	**Exercise price ($)**	**Remaining life**	**Expiry date**
June 13, 2012	460,000	460,000	0.125	1.4	June 13, 2022
May 26, 2016	340,000	340,000	0.125	5.4	May 26, 2026
February 6, 2019	2,050,000	2,050,000	0.075	3.1	February 6, 2024
	2,850,000	2,850,000	0.089	3.1	

The details of the changes in the options during the reporting period are as follows:

(a) On February 6, 2019, 2016 the Company granted options for the purchase of up to 2,050000 common shares at a price of $0.075 per share exercisable until February 6, 2024, all of which vested immediately. The fair value of these options was calculated with the Black-Scholes option pricing model. Using the assumptions of: (1) risk free interest rate of 1.84%, (2) expected volatility of 152%, (3) expected life of 5 years, and (4) dividend yield of 0.0%, the total fair value of the options granted as deemed to be $111,315.

(b) During fiscal 2020, 320,000 previously issued options expired unexercised such that further previously recognized share based compensation of $49,950 was transferred to contributed surplus.

(c) Total share based compensation of $Nil was recognized during the year ended December 31, 2020 (2019 - $111,315) based on accrual of previously granted options expected to vest in the reporting period.

14. Income Taxes

(a) **Deferred tax**

The following table summarizes the components of deferred tax for the years ending December 31, 2020 and 2019:

	Opening balance	Recognized in profit and loss	Closing balance
December 31, 2020			
Deferred tax assets			
Marketable securities	$ **8,480**	$ 14,285	$ 22,765
Resource properties	**782,939**	1,322	784,261
Non-capital losses	**2,919,735**	106,768	3,026,503
Foreign income taxes	**6,936**	-	6,936
Total deferred tax assets	**3,718,090**	122,375	3,840,465
Valuation allowance	**(3,718,090)**	(122,375)	(3,840,465)
Net deferred tax assets/tax expense	**-**	-	-
December 31, 2019			
Deferred tax assets			
Marketable securities	**-**	8,480	8,480
Resource properties	**888,234**	(105,295)	782,939
Non-capital losses	**2,833,797**	85,938	2,919,735
Foreign taxes paid	**6,936**	-	6,936
Total deferred tax assets	**3,728,967**	(10,877)	3,718,090
Valuation allowance	**(3,728,967)**	10,877	(3,718,090)
Net deferred tax assets/tax expense	$ **-**	$ -	$ -

14. **INCOME TAXES, continued**

(b) **Income rate reconciliation**

The reconciliation of the combined Canadian federal and provincial statutory income tax rates on the net loss for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
Net income (loss) before recovery of income taxes	**$ (432,428)**	$ (70,967)
Statutory tax rates	**26.50%**	26.50%
Expected income tax recovery	**(114,593)**	(18,806)
Decrease (increase) resulting from:		
Tax effect relating to origination and reversal of:		
Permanent differences	**16,030**	29,498
Temporary differences	**(23,809)**	185
Change in valuation allowance	**122,372**	(10,877)
Income tax expense	**$ -**	$ -

(c) **Other**

The Company has deductible temporary differences with respect to its resource properties, whereby the amounts deductible for income tax purposes exceed the amounts recorded for accounting purposes by $2,959,476 (2019 - $2,954,488). The Company has the following Canadian tax loss carryforwards: (i) capital losses of $187,296 which can be applied against future Canadian capital gains, and (ii) non-capital loss carryforwards, which can be used to reduce future Canadian income taxes payable, expiring as follows:

2027	$ 288,207
2028	518,999
2029	536,837
2030	189,949
2031	516,522
2032	401,981
2033	390,969
2034	215,925
2035	256,770
2036	78,341
2037	371,052
2038	333,789
2039	304,020
2040	257,512
	$ 4,660,873

14. **INCOME TAXES, continued**

The Company's Tanzanian subsidiary has non-capital loss carryforwards, which can be used to reduce future Tanzanian income taxes payable, of $5,971,076.

15. **KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES**

(a) **Key management personnel and directors compensation:**

During the year ended December 31, 2020 and 2019, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

		2020		2019
Management fees	**$**	**192,000**	$	192,000
Share based compensation		**-**		58,015

(b) Accounts payable and accrued liabilities as at December 31, 2020 includes $341,574 (2019 - $234,377) with respect to balances owing to related parties for the transactions disclosed above *(see note 9)*. On January 14, 2020, the Company agreed to transfer 514,465 shares of MacDonald Mines Exploration Ltd. *(see note 7)* in settlement of its outstanding accounts payable to the related party described in note 15(c)(ii) at an ascribed value of $41,157.

Accounts receivable includes a share subscription receivable of $Nil (December 31, 2019 - $25,000) from a company controlled by a director *(see note 6)*. This receivable was paid in full in November, 2020.

The loan payable to the related party of $48,291 was repaid in full, without interest, on March 27, 2020 *(see note 10)*.

(c) Management fees expensed during the year ended December 31, 2020 consist of $120,000 (December 31, 2019 - $120,000) billed by an entity controlled by the CEO (for his services as CEO) *(see note 15(c)(i))* and $72,000 (December 31, 2019 - $72,000) billed by an entity related to a director *(see note 15(c)(ii))*:

(i) Effective July 1, 2017, the CEO entered into a revised contract for management services at a rate of $10,000 per month compared to the prior rate of $2,200 per month. The contract is for a 2 year term expiring on June 30, 2019, automatically renewing for a further 3 years upon expiry (unless terminated previously).

15. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES, continued

The contract also includes a provision for an extraordinary bonus shall be paid to (i) in the amount of 500,000 shares in the capital of the Company in the event one of the Company's projects is verified by an independent engineer's report to NI 43-101 or equivalent standard, confirming the Company's gold reserves plus resources exceeds 1,000,000 ounces of gold or gold equivalent; and (ii) in the amount of 1,000,000 shares in the capital of the Company in the event two of the Company's projects are verified by an independent engineer's report to NI 43-101 or equivalent standard, confirming the Company's gold reserves plus resources exceeds 2,000,000 ounces of gold or gold equivalent.

(ii) On July 1, 2017, the Company entered into a new contract for management and administrative services that replaced the pre-existing management services agreement described above. The contract is billed on a monthly basis at a rate of $6,000 and includes the services of the CFO and corporate secretary, office rent and regular administrative functions. The contract, with a company related to a recently appointed director, has a three-month notice period and renews annually.

16. COMMITMENTS

As at December 31, 2020, the Company has the following commitments:

(a) option payments on its Rossland property as described in note 8(3)(k)

(b) the related party commitments as described in note 15,

(c) a residential lease for use by out-of-town staff at a monthly rate of $900 for a period of twelve months commencing September 1, 2019, with a lessee option to renew for twelve months at a monthly rate subject to a maximum increase of 10%;

(d) an office lease at a monthly rate of $1,000 for a period of twelve months commencing November 1, 2019, with a lessee option to renew for the rate and term subject to negotiation.

17. SEGMENTED INFORMATION

With the disposition of its various resource property interests outside of Canada over the last number of years, the Company conducts its business in a single operating segment that consists of its Canadian resource property interest in Rossland, BC.

18. Financial Instruments And Risk Factors

Fair value of financial instruments

The fair values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities, loan payable - related party and advance from Accelerate approximate their fair values due to the short-term or demand nature of these balances.

(a) **Fair value hierarchy**

A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs that are observable other than quoted prices included in level one. Level 3 includes inputs that are not based on observable market data.

	2020	2019
	$	$
Level 1		
Cash	**79,491**	5,620
Marketable securities	**328,500**	880,000
Level 3		
Accounts receivable	**18,006**	43,519
Advance from Accelerate	**305,574**	-

(b) **Classification of financial instruments**

The classification and measurement of the financial assets and liabilities, as well as their carrying amounts and fair values are as follows:

		December 31, 2020		**December 31, 2019**	
Assets/liabilities	**Measurement**	**Cost**	**Fair value**	**Cost**	**Fair value**
		$	**$**	$	$
Cash	Fair value	**79,491**	**79,491**	5,620	5,620
Accounts receivable	Amortized cost	**18,006**	**18,006**	43,519	43,519
Marketable securities	Fair value	**416,100**	**328,500**	912,000	912,000
Accounts payable and accrued liabilities	Amortized cost	**439,220**	**439,220**	344,998	344,998
Loan payable - related party	Amortized cost	**-**	**-**	48,291	96,582
Advance from Accelerate	Amortized cost	**305,574**	**305,574**	-	-

18. **FINANCIAL INSTRUMENTS AND RISK FACTORS, continued**

(c) **Credit risk**

The Company's credit risk is attributable to accounts receivable, which is comprised of refundable HST ITC's and share subscriptions receivable. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(d) **Liquidity risk**

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period. However, as at December 31, 2020, the Company believes the exposure to liquidity risk is significant *(see note1(a))* although it holds no arms-length financial liabilities, other than current accounts payable and accrued expenses, that are not adequately covered through working capital and it has no funding commitments that are not at its discretion.

(e) **Market risk**

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.

19. Capital Disclosures

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate funding to support acquisition obligations and exploration of mineral claims, and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the consolidated statements of shareholders' equity to be capital and it manages the capital structure and adjusts it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.

20. Subsequent Events

(a) **Termination of one of two option agreements on Rossland Project**

On April 14, 2021, the Company gave the required 10 days' Notice of Termination to 0811662 BC Ltd., one of the two option holders of the Rossland Project *(see note 8(3)(k))*.

(b) **Expected termination of agreement with Accelerate**

On April 27, 2021, the end of the eight month due diligence period *(see note 8(2)(c)(ii))*, Accelerate gave written notice that they have declined their option to acquire 51% of the Rossland Project and will, subject to regulatory approval, convert their cumulative advances.of $500,000 into 8,333,333 common shares of the Company at the previously agreed upon price of $0.06 per share.