ANGUS VENTURES INC.

FINANCIAL STATEMENTS

YEARS ENDED JANUARY 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

Independent Auditor's Report

To the Shareholders of Angus Ventures Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Angus Ventures Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2020 and 2019, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 Mr. James D. Gray.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
May 29, 2020

Angus Ventures Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at January 31, 2020	As at January 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,312,705**	$ 1,597,876
HST receivable	**17,282**	-
Total assets	**$ 1,329,987**	$ 1,597,876
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 38,837**	$ 27,085
Due to related parties (note 10)	**11,791**	-
Total current liabilities	**50,628**	27,085
Non-current liabilities		
Due to related parties (note 10)	**2,848**	42,848
Total liabilities	**53,476**	69,933
Shareholders' equity		
Share capital (note 3)	**1,750,390**	1,736,390
Warrants (note 4)	**-**	5,998
Contributed surplus (note 5)	**101,086**	83,059
Accumulated deficit	**(574,965)**	(297,504)
Total shareholders' equity	**1,276,511**	1,527,943
Total liabilities and shareholders' equity	**$ 1,329,987**	$ 1,597,876

The accompanying notes to the financial statements are an integral part of these statements.

Nature and continuance of operations (note 1)
Subsequent events (note 12)

Approved on behalf of the Board:
"Patrick Langlois", Director "Dennis Peterson", Director

Angus Ventures Inc.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended January 31, 2020	Year Ended January 31, 2019
Operating expenses		
Bank charges	**$ 495**	$ 483
Exploration and evaluation expenditures (note 7)	**123,508**	-
Filing and regulatory fees	**8,674**	7,280
Interest income	**(18,273)**	(4,828)
Office and general	**340**	5
Professional fees	**116,983**	76,741
Share-based payments (note 5(i)(ii))	**18,027**	35,181
Shareholder information	**32,001**	9,776
Travel expenses	**1,704**	5,908
Net loss and comprehensive loss for the year	**$ (283,459)**	$ (130,546)
Basic and diluted net loss per share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**18,962,865**	18,946,180

The accompanying notes to the financial statements are an integral part of these statements.

Angus Ventures Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	**Amount**	**Warrants**	**Contributed Surplus**	**Accumulated Deficit**	**Total**
Balance, January 31, 2018	**18,946,180**	**$ 1,736,390**	**$ 5,998**	**$ 47,878**	**$ (166,958)**	**$ 1,623,308**
Share-based payments (note 5(i))	-	-	-	35,181	-	35,181
Net loss for the year	-	-	-	-	(130,546)	(130,546)
Balance, January 31, 2019	**18,946,180**	**1,736,390**	**5,998**	**83,059**	**(297,504)**	**1,527,943**
Shares issue for mineral properties (note 3(b)(i))	70,000	14,000	-	-	-	14,000
Expiration of warrants	-	-	(5,998)	-	5,998	-
Share-based payments (note 5(i)(ii))	-	-	-	18,027	-	18,027
Net loss for the year	-	-	-	-	(283,459)	(283,459)
Balance, January 31, 2020	**19,016,180**	**$ 1,750,390**	**$ -**	**$ 101,086**	**$ (574,965)**	**$ 1,276,511**

The accompanying notes to the financial statements are an integral part of these statements.

Angus Ventures Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended January 31, 2020	Year Ended January 31, 2019
Operating activities		
Net loss for the year	**$ (283,459)**	$ (130,546)
Adjustment for:		
Share-based payments (note 5(i)(ii))	**18,027**	35,181
Shares issued for mineral properties (note 3(b)(i))	**14,000**	-
Changes in non-cash working capital item:		
HST receivable	**(17,282)**	-
Accounts payable and accrued liabilities	**11,752**	12,628
Due to related parties	**(28,209)**	40,000
Net cash and cash equivalents used in operating activities	**(285,171)**	(42,737)
Net decrease in cash and cash equivalents	**(285,171)**	(42,737)
Cash and cash equivalents, beginning of year	**1,597,876**	1,640,613
Cash and cash equivalents, end of year	**$ 1,312,705**	$ 1,597,876

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature and continuance of operations

Angus Ventures Inc. ("Angus" or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on September 28, 2010. On September 1, 2017, the Company completed its Initial Public Offering and was classified as a Capital Pool Company Canadian Pool Company ("CPC") as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The Company’s common shares were listed for trading on the TSX-V under the trading symbol “GUS.P” on September 1, 2017 and commenced trading at the open on September 6, 2017.

On April 25, 2019, the Company entered into a purchase agreement (the “Purchase Agreement”) with Luxor Exploration Inc. ("Luxor") and Canstar Resources Inc. (“Canstar”) to acquire an aggregate 100% interest in the Slate Bay Property. On November 7, 2019, the Company completed the transaction with Luxor and Canstar. Refer to Note 7(i) for details about the transaction. The acquisition of the Slate Bay Property constitutes the Company's Qualifying Transaction ("QT") under the policies of the TSX-V. On November 14, 2019, the Company resumed trading on the TSX-V under the trading symbol "GUS".

The principal business of the Company is the acquisition, exploration and evaluation of mineral properties, and developing these properties further or disposing of them when evaluation is complete.

The Company’s head office, principal address and registered and records office is located at 56 Temperance Street, Suite 1000, Toronto, Ontario, Canada, M5H 3V5.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management believes the Company has sufficient working capital to maintain its activities for the upcoming fiscal year.

The financial statements of the Company were approved by the Board of Directors on May 29, 2020.

2. Significant accounting policies

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of presentation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future which include the fair value of warrants and stock options using the Black-Scholes option pricing model. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. Significant accounting policies (continued)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Financial instruments

IFRS 9 - Financial Instruments ("IFRS 9") includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2. Significant accounting policies (continued)

Financial instruments (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

The following table summarizes the classification under IFRS 9 for each financial instrument:

Financial instruments	Classification
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a know amount of cash.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Significant accounting policies (continued)

Income taxes (continued)

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value and 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 pretax 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 amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for 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.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

2. Significant accounting policies (continued)

Share capital

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

Share-based compensation

In connection with incentive stock options granted by the Company to its officers, directors, employees and consultants, an expense is recognized over the vesting period based on the estimated fair value of the options on the date of the grant as determined using as option pricing model. The expense is charged to share-based payments and the offset is credited to contributed surplus. Cash received on exercise of incentive stock options is credited to share capital along with any contributed surplus amounts previously recorded that are applicable to the options exercised.

New accounting standard adopted

The Company has adopted the new IFRS pronouncements as at February 1, 2019 in accordance with the transitional provisions of the standards and as described below. The adoption of this new IFRS pronouncements has not resulted in any adjustments to previously reported figures.

IFRS 16 - Leases ("IFRS 16")

On January 13, 2016, the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 replaces IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. At February 1, 2019, the Company adopted this standard and there was no material impact on the Company's financial statements as the Company has no material lease contracts that fall under IFRS 16.

IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments ("IFRIC 23")

On June 7, 2017, the IASB issued IFRIC 23. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. At February 1, 2019, the Company adopted this standard and there was no material impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Share capital

a) Authorized share capital

At January 31, 2020, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At January 31, 2020, the issued share capital amounted to $1,750,390. The issued share capital for the years were as follows:

	Number of Common Shares	Amount
Balance, January 31, 2018 and January 31, 2019	**18,946,180**	**$ 1,736,390**
Shares issued for mineral properties (i)	70,000	14,000
Balance, January 31, 2020	**19,016,180**	**$ 1,750,390**

(i) On November 5, 2019, the Company issued 70,000 common shares valued at $14,000 to Canstar according to the Purchase Agreement. Refer to Note 7(i).

4. Warrants

The following table summarizes warrants issued during the years presented:

	Number of Warrants	Fair Value
Balance, January 31, 2018 and January 31, 2019	**113,820**	**$ 5,998**
Expired	(113,820)	(5,998)
Balance, January 31, 2020	**-**	**$ -**

There are no warrants outstanding as of January 31, 2020.

5. Stock options

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant.

The following table reflects the continuity of stock options for the years presented:

	Number of Stock Options	Weighted Average Exercise Price
Balance, January 31, 2018 and January 31, 2019 (i)	**1,128,000**	**$ 0.10**
Stock options granted (ii)	120,000	0.28
Balance, January 31, 2020	**1,248,000**	**$ 0.12**

(Expressed in Canadian Dollars)

5. Stock options (continued)

(i) On September 1, 2017, the Company granted an aggregate of 1,128,000 incentive stock options to its directors, officers and certain technical consultants, exercisable at a price of $0.10 per share for a period of five years, vesting 25% on grant and every six months thereafter. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.10; expected dividend yield of 0%; risk-free interest rate of 1.59%; volatility of 100% and an expected life of 5 years. The fair value assigned to these options was $84,262. For the year ended January 31, 2020, the impact on the statement of comprehensive loss was $1,203 (year ended January 31, 2019 - $35,181).

(ii) On November 6, 2019, the Company granted 120,000 stock options to an officer and a consultant, exercisable at a price of $0.28 per share for a period of five years, vesting 100% on day of grant. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.20; expected dividend yield of 0%; risk-free interest rate of 1.53%; volatility of 100% and an expected life of 5 years. The fair value assigned to these options was $16,824. For the year ended January 31, 2020, the impact on the statement of comprehensive loss was $16,824 (year ended January 31, 2019 - $Nil).

The following table reflects the stock options issued and outstanding as of January 31, 2020:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
September 1, 2022	0.10	2.59	1,128,000	1,128,000	-
November 6, 2024	0.28	4.77	120,000	120,000	-
	0.12	2.80	1,248,000	1,248,000	-

6. Net Loss Per Share

The calculation of basic and diluted loss per share for the year ended January 31, 2020 was based on the loss attributable to common shareholders of $283,459 (year ended January 31, 2019 - $130,546) and the weighted average number of common shares outstanding of 18,962,865 (year ended January 31, 2019 - 18,946,180). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

7. Exploration and evaluation expenditures

	Year Ended January 31, 2020	2019
Slate Bay Property		
Annual taxes	**$ 852**	$ -
Option payments	**74,000**	-
Staking claims	**597**	-
Technical report	**24,259**	-
	$ 99,708	$ -
Golden Sky Project		
Staking claims	**$ 23,800**	$ -
	$ 23,800	$ -
Exploration and evaluation expenditures	**$ 123,508**	$ -

7. Exploration and evaluation expenditures (continued)

(i) Pursuant to the terms of the Purchase Agreement, the Company acquired from Luxor and Canstar, an aggregate 100% interest in the Slate Bay Property comprising eight patented mining claims in Ontario in consideration for: i) the payment to Luxor of $30,000 (paid); ii) the payment to Canstar of $30,000 (paid); and iii) the issuance to Canstar of 70,000 common shares of the Company (issued and valued $14,000 - Note 3(b)(i)). The acquisition of the Slate Bay Property constituted the Company's QT under the policies of the TSX-V.

(ii) On December 11, 2019, the Company entered into an asset purchase agreement with Talisker Gold Corp. ("Talisker"), pursuant to which it will acquire a 100% interest in the Wawa Properties. On the same date, the Company entered into an assignment agreement with Talisker to acquire Talisker's options to earn into two additional claims blocks. In respect of these agreements (collectively, "the Transactions"), the Company will pay a total of $600,000 in cash and issue 4,000,000 common shares.

At closing, in a series of transactions, the Company will acquire the following mineral property interests, collectively known as the Golden Sky Project:

- A 100% interest in the 141 mining claims comprising the Wawa Properties, located in Ontario. A portion of these claims are subject to a 1.5% net smelter return royalty ("NSR") that can be reduced to 1.0% in consideration for the sum of $250,000 within twelve months of commercial production. The remainder of the claims are subject to a 2.0% NSR that can be reduced to 1.0% in consideration for the sum of $1,000,000. On completion of the Transactions, the Company will pay a total of $25,000 and issue a total of 400,000 common shares to the holders of the underlying NSR interests.
- The option to earn a 100% interest in 202 mining claims held by IAMGOLD Corporation ("IAMGOLD"), known as the Mishi Property, located in Ontario. To earn a 100% interest in the Mishi Property, the Company will be required to incur an aggregate of $1,500,000 in exploration expenditures on the property before September 25, 2023.
- The option to earn a 100% interest in 188 mining claims held by Exiro Minerals Corp. ("Exiro"), located in Ontario. To earn a 100% interest in these claims, the Company will be required to make cash payments of $20,000 and issue common shares with a fair value of $45,000 within five business days of the completion of the Transactions. These claims are subject to a 2.0% NSR in favour of Exiro.

The Transactions were completed subsequent to year-end. Refer to Note 12(i)(ii).

(iii) In January 2020, the Company staked 437 mineral claims in Ontario.

8. Financial instrument and risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

8. Financial instrument and risk management (continued)

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due to related parties are due within the current operating period. The Company has a sufficient cash and cash equivalents balance to settle current liabilities.

(c) Market risk:

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favourable market related interest rates.

9. Capital disclosure and management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at January 31, 2020, totaled $1,276,511.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the year ended January 31, 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body and Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of January 31, 2020, the Company is compliant with Policy 2.5.

(Expressed in Canadian Dollars)

10. Major shareholders and related party disclosures

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at January 31, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

	Number of Common Shares	Percentage of Outstanding Common Shares
David Palmer	3,960,000	20.82 %
Jamie Sokalsky	3,960,000	20.82 %
Patrick Langlois, Chief Executive Officer	2,910,000	15.30 %

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

Related party disclosures

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(i) As of January 31, 2020, the Company has a balance owing to one of its former directors of $2,848 (January 31, 2019 - $2,848), for expenses paid on behalf of the Company. The amount due to the former director is non-interest bearing.

(ii) As of January 31, 2020, the Company has a balance owing to one of its Chief Executive Officer of $2,762 (January 31, 2019 - $Nil), for expenses paid on behalf of the Company. The amount due to the Chief Executive Officer is non-interest bearing.

(iii) During the year ended January 31, 2020, the Company expensed or accrued professional fees of $79,277 (year ended January 31, 2019 - $40,000) to Peterson McVicar LLP ("Peterson"). Dennis H. Peterson, a director of the Company, controls Peterson which provide legal services to the Company. As at January 31, 2020, Peterson was owed $9,029 (January 31, 2019 - $40,000) and this amount was included in due to related parties.

(iv) Remuneration of directors and key management of the Company was as follows:

	Year Ended January 31, 2020	Year Ended January 31, 2019
Share-based payments	**$ 17,330**	$ 14,814

(Expressed in Canadian Dollars)

11. Income taxes

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	Year Ended January 31, 2020	Year Ended January 31, 2019
	27.00%	27.00%
Loss before income taxes	**$ (283,459)**	$ (130,546)
Income tax recovery computed at statutory rates	**(76,534)**	(35,247)
Deductible and non-deductible amounts	**38,214**	9,499
Unrecognized benefit of deferred tax assets	**38,320**	25,748
Actual income tax recovery	**$ -**	$ -

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2020	2019
Deferred income tax assets		
Non-capital loss carryforward pools	**$ 387,000**	$ 235,000
Exploration and evaluation costs	**124,000**	-
Share issuance costs	**21,000**	31,000
Unrecognized deductible temporary differences	**$ 532,000**	$ 266,000

This potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these financial statements. The non-capital loss carry-forwards expire according to the following schedule:

	2020	2019
2031	**$ 2,000**	$ 2,000
2032	**1,000**	1,000
2033	**1,000**	1,000
2034	**1,000**	1,000
2035	**1,000**	1,000
2036	**1,000**	1,000
2037	**7,000**	7,000
2038	**115,000**	115,000
2039	**106,000**	106,000
2040	**152,000**	-
	$ 387,000	$ 235,000

12. Subsequent events

(i) On February 5, 2020, the Company acquired Talisker's interest in the option agreements with IAMGOLD and Exiro (Refer to Note 7(ii)). The total consideration paid by the Company in respect of acquiring these interests was $25,001.

On the same date, the Company completed the Exiro earn-in option agreement and earned a 100% interest in 188 mining claims, in consideration of a cash payment of $20,000 and the issuance of 182,700 common shares.

(ii) On March 4, 2020, the Company completed the acquisition of Talisker's 100% interest in 141 mining claims known as the Wawa Properties, in consideration of a one-time cash payment of $577,499 and the issuance of 4,000,000 common shares (Refer to note 7(ii)).

As part of the Transactions, the Company paid $25,000 and issued an additional 400,000 common shares to holders of the underlying NSR interests on the Wawa Properties.

Following the completion of the Transactions, Talisker, which previously held no securities of the Company, now holds 4,000,000 common shares of the Company, or approximately 16.67% of the issued and outstanding common shares of the Company.

(iii) In connection with the Transactions, the Company issued 400,000 common shares as an advisory fee.

(iv) On May 22, 2020, the Company completed the acquisition of a 100% interest in the Ellen Creek Gold Property from an individual vendor (the "Vendor"), and a 100% interest in the River Gold Property from Metalcorp Limited ("Metalcorp").

The 100% interest in Ellen Creek Gold Property, which consists of 14 mining claims, was acquired by the Company in consideration for:

- A cash payment of $1,000;
- The issuance to the Vendor of 22,000 common shares; and
- The grant to the Vendor of a 1.0% NSR on production from the Ellen Creek Gold Property, of which 50% can be purchased by the Company for $500,000.

The 100% interest in the River Gold Property, consisting of 6 mining claims, was acquired by the Company in consideration for:

- A cash payment of $20,000;
- The issuance to Metalcorp of 100,000 common shares; and
- The grant to Metalcorp of a 2.0% NSR on production from the River Gold Property, of which 50% can be purchased by the Company for $1,000,000.

(v) The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.