Raindrop Ventures Inc.

Financial Statements

For the years ended January 31, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Raindrop Ventures Inc.

Opinion

We have audited the accompanying financial statements of Raindrop Ventures Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2021 and 2020, and the statements of operations and 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, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that as at January 31, 2021, the Company had an accumulated deficit of $657.201. As stated in Note 2, material uncertainties related to events or conditions may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the 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 audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

May 31, 2021

RAINDROP VENTURES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	January 31, 2021	January 31, 2020
ASSETS			
Current assets			
Cash		$ 65,640	$ 583,254
Receivables	4	8,419	9,780
Prepaids		37,272	-
Total current assets		111,331	593,034
Non-current assets			
Exploration and evaluation assets	5	239,530	163,169
Reclamation bond	5	30,072	-
Total assets		$ 380,933	$ 756,203
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 15,828	$ 24,644
Due to related parties	6	341	1,251
Loans payable	6	9,200	9,200
Total current liabilities		25,369	35,095
Shareholders' equity			
Share capital	7	849,786	828,555
Equity reserves	7	162,979	44,010
Deficit		(657,201)	(151,457)
Total shareholders' equity		355,564	721,108
Total liabilities and shareholders' equity		$ 380,933	$ 756,203

Going concern (Note 2)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on May 31, 2021:

"*Alexander Kunz*"
Director

"*Scott Davis*"
Director

(The accompanying notes are an integral part of these financial statements)

RAINDROP VENTURES INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended January 31, 2021	2020
OPERATING EXPENSES		
Accounting and audit (Note 6)	$ 81,400	$ 24,638
Consulting fees (Note 6)	73,937	30,929
Legal fees	25,458	4,469
Management fees (Note 6)	60,000	27,000
Office and administration (Note 6)	37,194	29,208
Project investigation	33,063	-
Rent	-	6,000
Share-based payments (Notes 6, 7)	127,620	-
Travel and promotion	52,072	12,214
Write-down of exploration and evaluation assets (Note 5)	15,000	-
Loss and comprehensive loss for the year	$ (505,744)	$ (134,458)
Basic and diluted loss per share	$ (0.02)	$ (0.01)
Weighted average number of shares outstanding – basic and diluted	23,715,537	15,623,829

(The accompanying notes are an integral part of these financial statements)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Receivable	Equity Reserves	Deficit	Total
Balance, January 31, 2019	15,433,900	$ 274,678	$ (56,625)	$ -	$ (16,999)	$ 201,054
Issuance of common shares	8,118,000	811,800	-	-	-	811,800
Share subscriptions received	-	-	56,625	-	-	56,625
Share issuance costs – shares	100,000	10,000	-	-	-	10,000
Share issuance costs	-	(54,010)	-	44,010	-	(10,000)
Share issuance costs – cash	-	(213,913)	-	-	-	(213,913)
Loss for the year	-	-	-	-	(134,458)	(134,458)
Balance, January 31, 2020	23,651,900	828,555	-	44,010	(151,457)	721,108
Exercise of warrants	125,800	21,231	-	(8,651)	-	12,580
Share-based payments	-	-	-	127,620	-	127,620
Loss for the year	-	-	-	-	(505,744)	(505,744)
Balance, January 31, 2021	23,777,700	$ 849,786	$ -	$ 162,979	$ (657,201)	$ 355,564

(The accompanying notes are an integral part of these financial statements)

RAINDROP VENTURES INC.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Years ended January 31, 2021	2020
OPERATING ACTIVITIES		
Loss for the year	$ (505,744)	$ (134,458)
Items not involving cash:		
Share-based payments	127,620	-
Write-down of exploration and evaluation assets	15,000	-
Changes in non-cash operating working capital:		
Receivables	1,361	(4,976)
Prepaids	(37,272)	-
Accounts payable and accrued liabilities	(7,589)	12,331
Due to related parties	(910)	1,251
Net cash used in operating activities	(407,534)	(125,852)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	868,425
Share issuance costs	-	(213,913)
Proceeds from exercise of warrants	12,580	-
Loans payable	-	30,850
Repayment of loans payable	-	(21,650)
Net cash provided by financing activities	12,580	663,712
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(92,588)	(11,778)
Reclamation bond	(30,072)	-
Net cash used in investing activities	(122,660)	(11,778)
Change in cash	(517,614)	526,082
Cash, beginning of the year	583,254	57,172
Cash, end of the year	$ 65,640	583,254

Supplemental Cash Flow Information:

During the year ended January 31, 2021, the Company:

- Transferred $8,651 from equity reserves to share capital on the exercise of agent's warrants.

During the year ended January 31, 2020, the Company:

- Issued 100,000 common shares at a fair value of $10,000 for share issuance costs.
- Incurred exploration and evaluation asset expenditures of $1,227 through accounts payable and accrued liabilities.
- Granted 640,000 agent's warrants at a fair value of $44,010 pursuant to the initial public offering.

Interest paid	$ –	$ –
Income taxes paid	$ –	$ –

(The accompanying notes are an integral part of these financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

Raindrop Ventures Inc. (the "Company") is a resource exploration company focused on acquiring and exploring resource properties in Canada and the USA.

The Company was incorporated on February 14, 2018 under the laws of British Columbia. The Company's head office is Suite 510, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 and the Company's registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company is listed on the Canadian Securities Exchange under the symbol "RAYN" and the Frankfurt Stock Exchange ("FRA") under the trading symbol RV0.

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PREPARATION

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
2) deferred income tax asset valuation allowances; and
3) the valuation of non-cash transactions.

2. BASIS OF PREPARATION (continued)

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Going concern

These financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2021, the Company has an accumulated deficit of $657,201 and has not generated any revenues since inception and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company's abilities to continue with any drilling program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures
Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets

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

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

Share-based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods and services rendered.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability and the premium is recognized as a recovery in the statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. 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.

Deferred income tax is provided using the statement of financial position 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.

Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of shares outstanding during the reported 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 proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	IFRS 9 Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payables and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information

4. RECEIVABLES

	January 31, 2021	January 31, 2020
Goods and services tax ("GST") receivable	$ 8,419	$ 9,780
Total	**$ 8,419**	**$ 9,780**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Clover Mountain Property, USA	Silver Star Property, Canada	Total
Balance, January 31, 2019	**$ 135,164**	**$ 15,000**	**$ 150,164**
Expenditures during the year:			
Claims, leases and permits	9,674	-	9,674
Consulting and professional	2,003	-	2,003
Geophysics and geology	1,328	-	1,328
Total expenditures	13,005	-	13,005
Balance, January 31, 2020	**148,169**	**15,000**	**163,169**
Expenditures during the year:			
Claims, leases and permits	9,290	-	9,290
Consulting and professional	54,838	-	54,838
Geophysics and geology	768	-	768
Trenching and sampling	26,465	-	26,465
Total expenditures	91,361	-	91,361
Write-down of exploration and evaluation assets	-	(15,000)	(15,000)
Balance, January 31, 2021	**$ 239,530**	**$ -**	**$ 239,530**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Clover Mountain Property, Idaho, USA

On September 1, 2018, the Company entered into a purchase agreement with Daniel Kunz and Associates, LLC to purchase 100% of the Clover Mountain property consisting of claims in Idaho, USA for 6,483,900 common shares of the Company at a fair value of $129,678. Subsequent to the purchase agreement on September 1, 2018, Daniel Kunz became a director of the Company.

The Company held a reclamation bond for $30,072 at January 31, 2021.

Silver Star Property, BC, Canada

On June 14, 2018, the Company entered into an option agreement to acquire a 100% interest in the Silver Star property (the "Property") with Glacier Lake Resources Inc., a company with common directors and officers. Following the exercise of the option, the Property will remain subject to a 1.5% net smelter return royalty. The Company shall be entitled to purchase 1% of the royalty at any time through a one-time cash payment of $1,000,000.

During the year ended January 31, 2021, the Company terminated its option to acquire the Silver Star Property and recorded a write-down of exploration and evaluation assets of $15,000.

6. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended January 31, 2021, the Company incurred the following charges with related parties that include officers, directors, key management or companies with common directors of the Company as follows:

a) Incurred management fees of $60,000 (2020 - $27,000) to a company controlled by a director and officer of the Company. As at January 31, 2021, $Nil was owed to this company for expense reimbursements (January 31, 2020 - $213).
b) Incurred accounting fees of $60,000 (2020 - $1,000) and office and administration of $3,252 (2020 - $Nil) to a firm where a director and officer of the Company is a partner. As at January 31, 2021, $341 was owed to this firm (January 31, 2020 - $1,038).
c) Incurred consulting fees of $60,000 (2020 - $Nil) and capitalized consulting and professional fees of $54,838 (2020 - $Nil) to a company controlled by a director of the Company.
d) Incurred consulting fees of $9,938 (2020 - $Nil) to a former director of the Company.

During the year ended January 31, 2021 the Company granted 1,370,000 stock options to its directors valued at $121,976 of which $99,340 was recognized during the year ended January 31, 2021 (Note 7).

During the year ended January 31, 2020, loans of $21,650 were received from a related party and repaid during the year. The Company also received a loan from an arm's length party for $9,200. All loans are unsecured, non-interest bearing with no terms of repayment.

7. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares without par value

Escrowed shares: 3,825,000 common shares subject to the release schedule of 10% to be released upon the date of listing on the Canadian Securities Exchange (the "CSE") and an additional 15% are to be released every 6 months thereafter until all the escrowed shares have been released 36 months following the date of listing on the CSE. As at January 31, 2021 there were 2,222,249 common shares in escrow (January 31, 2020 – 3,333,375 common shares).

During the year ended January 31, 2021 the Company:

(a) Issued 125,800 common shares from the exercise of warrants for proceeds of $12,580.

During the year ended January 31, 2020 the Company:

(a) Completed its initial public offering ("IPO") consisting of 8,000,000 shares at $0.10 per share for gross proceeds of $800,000. The Company issued 640,000 non-transferable and non-assignable warrants at a fair value of $44,010 to purchase common shares of the Company, each agent's warrants exercisable to purchase one common share for a price of $0.10 per common share until January 31, 2022. The Company paid $212,758 in cash share issuance costs in relation to the IPO.

(b) Issued 118,000 special warrants subscribed through an equity crowdfunding at $0.10 per special warrants for proceeds of $11,800. The special warrants were converted into common shares of the Company on a one to one basis. The Company issued 100,000 common shares at a fair value of $10,000 as a compensation fee and incurred $1,155 of share issuance costs in relation to the equity crowdfunding.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

Stock Options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's shares on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

During the year ended January 31, 2021, the Company granted 1,760,000 incentive stock options exercisable at a price of $0.10 for five years from the date of grant. The incentive stock options were granted to officers, directors and consultants of the Company.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, January 31, 2019 and January 31, 2020	-	-
Granted	1,760,000	0.10
Balance, January 31, 2021	1,760,000	0.10
Exercisable, January 31, 2021	586,667	0.10

As at January 31, 2021, the following options were outstanding:

Number of options outstanding	Exercise price $	Expiry date
1,683,332	0.10	February 14, 2025*
1,683,332		

*Subsequent to January 31, 2021, 38,332 options were exercised for proceeds of $3,833 and 76,668 options were forfeited. The Company subsequently accelerated the vesting period terms to allow all unvested options to vest.

The weighted average fair value of each stock option granted during the year ended January 31, 2021 was $0.09 (2020 – $Nil).

The share-based payments expense recognized during the year ended January 31, 2021 was $127,620 (2020 - $Nil) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

	Year ended January 31, 2021
Risk-free interest rate	1.37%
Expected life (in years)	5
Expected volatility	141.56%
Dividend rate	0%

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, January 31, 2019	-	-
Granted	640,000	0.10
Balance, January 31, 2020	640,000	0.10
Exercised	(125,800)	0.10
Balance, January 31, 2021	514,200	0.10

As at January 31, 2021, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
514,200	0.10	January 31, 2022*
514,200		

*Subsequent to January 31, 2021, 210,000 warrants were exercised for proceeds of $21,000.

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted during the year ended January 31, 2020 assuming no expected dividends:

	Year ended January 31, 2020
Risk-free interest rate	1.43%
Expected life (in years)	2
Expected volatility	141.56%
Dividend rate	0%
Weighted average fair value per warrant	$0.07

8. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at January 31, 2021, the Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at January 31, 2021, the Company had a cash balance of $65,640 and current liabilities of $25,369. The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Receivables are comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company is not exposed to interest rate risk.

(f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

(g) Fair values

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 cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including receivables, due to related parties, loans payable and accounts payable and accrued liabilities, are equal to their carrying values due to the short-term nature of these instruments.

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the United States. The Company's exploration and evaluation assets are located in Canada and the United States.

10. INCOME TAXES

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

	2021	2020
Loss for the year	$ (505,744)	$ (134,458)
Expected tax recovery	(137,000)	(36,000)
Permanent differences and other	36,000	-
Share issue cost	-	(60,000)
Change in unrecognized deferred income tax assets	101,000	96,000
Income tax provision	$ -	$ -

Details of deferred income tax assets and liabilities are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Exploration and evaluation assets	$ 4,000	$ -
Share issue costs	35,000	48,000
Non-capital losses available for future periods	162,000	52,000
	201,000	100,000
Unrecognized deferred income tax assets	(201,000)	(100,000)
Net deferred income tax asset	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2021	2020	Expiry Date Range
Share issue costs	$ 134,000	$ 179,000	2041 to 2044
Exploration and evaluation assets	15,000	-	Not applicable
Non-capital losses available for future periods	600,000	194,000	2039 to 2041

11. SUBSEQUENT EVENTS

Subsequent to January 31, 2021, the Company:

- Closed the acquisition of an exploration portfolio consisting of three 100%-owned properties (Anchor, Stateline and Sandy) and three 49%-owned properties (Brik, Easter and Viper) (together, the "Properties") from Liberty Gold Corp. ("Liberty Gold"). In consideration for the Properties, the Company paid and issued to Liberty Gold $64,430 (US$50,000) in cash and 4,013,406 common shares of the Company, representing 9.9% of the Company's issued and outstanding common shares on a post-closing basis. Liberty Gold also retained a 1.5% net smelter return royalty on certain of the Properties.

- Completed a private placement of 12,500,000 units of the Company at a price of $0.16 per unit for gross proceeds of $2,000,000. Each unit consists of one common share and one half of one non-transferable common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.27 per share expiring February 12, 2024.

- Granted 600,000 stock options exercisable at a price of $0.20 for five years from the date of grant. The stock options were granted to officers, directors and consultants of the Company.

- Exercised 38,332 options for proceeds of $3,833 and 213,500 warrants were exercised for proceeds of $21,350.