GOLD TERRA RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

April 30, 2021

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company’s management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note		April 30, 2021 (Unaudited)		January 31, 2021 (Audited)
ASSETS					
Current					
Cash and cash equivalents	3	$	3,934,820	$	3,281,202
Receivables	4		102,495		91,212
Prepaids and deposits			76,357		96,413
			4,113,672		3,468,827
Non-current					
Equipment	5		3,802		4,170
Reclamation deposits	7		152,540		152,540
Exploration and evaluation assets	8		39,190,656		37,770,790
			39,346,998		37,927,500
		$	43,460,670	$	41,396,327
LIABILITIES					
Current					
Trade payables and accrued liabilities	9, 10	$	119,046	$	422,274
Deposit payable	6	$	25,000	$	25,000
Deferred premium on flow-through shares	15		635,682		137,699
			779,728		584,973
			779,728		584,973
SHAREHOLDERS' EQUITY					
Share capital	11		55,260,757		53,294,764
Share-based payment reserve	11, 12		4,096,047		3,966,232
Deficit			(16,675,862)		(16,449,642)
			42,680,942		40,811,354
		$	43,460,670	$	41,396,327

Nature and continuance of operations (Note 1)
Subsequent event (Note 16)

"Gerald Panneton"	***"Elif Levesque"***
Gerald Panneton, Executive Chairman	Elif Levesque, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited; expressed in Canadian dollars)

	Note	Three months ended April 30 2021	Three months ended April 30 2020
EXPENSES			
Amortization	5	$ 368	$ 7,212
Consulting	11	498	90,763
Depreciation of right-of-use asset	6	-	3,973
Directors' fees	11	14,250	15,304
Management compensation	11	150,000	166,631
Office, rent and miscellaneous		9,365	45,612
Professional fees	11	43,482	48,431
Salaries and benefits		51,484	31,765
Share-based payments	11, 12	129,815	84,444
Transfer agent, filing fees and shareholder communications		208,975	147,863
Travel and related costs		-	48,842
		(608,237)	(690,840)
OTHER ITEMS			
Interest income		-	15,095
Loss on disposal of equipment		-	(3,495)
Finance costs	6	-	(962)
Flow-through share premium reversal	15	382,017	-
LOSS BEFORE INCOME TAXES		(226,220)	(680,202)
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (226,220)	$ (680,202)
Loss per share - basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted		186,452,233	160,582,124

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
Balance at January 31, 2020 (audited)		**160,493,235**	**$ 47,732,879**	**$ 3,537,030**	**$ (14,589,545)**	**$ 36,680,364**
Loss for the period		-	-	-	(680,202)	(680,202)
Shares issued to acquire property	11	100,000	25,000	-	-	25,000
Share-based payments	11	-	-	84,444	-	84,444
Balance at April 30, 2020 (unaudited)		**160,593,235**	**47,757,879**	**3,621,474**	**(15,269,747)**	**36,109,606**
Loss for the period		-	-	-	(1,179,895)	(1,179,895)
Shares issued to prospectus offering	11	20,700,000	7,130,000	-	-	7,130,000
Share issuance costs	11	-	(651,842)	-	-	(651,842)
Flow-through share premium	15	-	(960,000)	-	-	(960,000)
Shares issued on exercise of options	11	1,000	1,043	(434)	-	609
Shares issued on exercise of warrants	11	34,402	17,684	(5,299)	-	12,385
Share-based payments	11	-	-	350,491	-	350,491
Balance at January 31, 2021 (audited)		**181,328,637**	**53,294,764**	**3,966,232**	**(16,449,642)**	**40,811,354**
Loss for the period		-	-	-	(226,220)	(226,220)
Shares issued on private placement	11	8,000,000	2,880,000	-	-	2,880,000
Share issuance costs	11	-	(34,007)	-	-	(34,007)
Flow-through share premium	15	-	(880,000)	-	-	(880,000)
Share-based payments	11	-	-	129,815	-	129,815
Balance at April 30, 2021 (unaudited)		**189,328,637**	**$ 55,260,757**	**$ 4,096,047**	**$ (16,675,862)**	**$ 42,680,942**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; expressed in Canadian dollars)

	Three months ended April 30 2021	2020
Cash provided by (used in):		
Operating activities		
Net loss	$ (226,220)	$ (680,202)
Items not involving cash:		
Amortization	368	7,212
Loss on disposal of equipment	-	3,495
Depreciation - right-of-use assets	-	3,973
Share-based payments	129,815	84,444
Flow-through premium reversal	(382,017)	-
Non-cash interest	-	(962)
Changes in non-cash working capital items:		
Receivables	(11,283)	(108,403)
Prepaids and deposits	20,056	(66,197)
Deposit	-	25,000
Trade payables and accrued liabilities	(57,007)	(330,612)
Net cash used in operating activities	(526,288)	(1,062,252)
Investing activities		
Net proceeds from sale of equipment	-	1,775
Expenditures on exploration and evaluation assets	(1,666,087)	(1,317,938)
Net cash used in investing activities	(1,666,087)	(1,316,163)
Financing activities		
Issuance of common shares, net of share issuance costs	2,845,993	-
Payment of lease liability	-	(4,751)
Net cash provided by (used in) financing activities	2,845,993	(4,751)
Change in cash and cash equivalents	653,618	(2,383,166)
Cash and cash equivalents - beginning of period	3,281,202	4,768,241
Cash and cash equivalents - end of period	$ 3,934,820	$ 2,385,075

Supplemental cash flow information (Note 14)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold Terra Resource Corp. (formerly TerraX Minerals Inc.) (the “Company” or “Gold Terra”) was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company changed its name to Gold Terra Resource Corp. on February 13, 2020. The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol of “YGT.V”.

The head office of the Company is located at 410-325 Howe Street, Vancouver, British Columbia, Canada, V6C 1Z7. The registered address and records office of the Company is located at 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company has one wholly-owned subsidiary, Gold Matter Corporation which was incorporated under the Business Corporations Act (Ontario).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2021, the Company has not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These condensed consolidated interim financial statements were authorized for issue on June 29, 2021 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards (“IFRS”)
These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of presentation
These condensed consolidated interim 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, the Company’s functional currency, unless otherwise noted.

The preparation of condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies.

(Unaudited; expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting policies
These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended January 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended January 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended April 30, 2021 are not necessarily indicative of the results that may be expected for the current fiscal year.

New accounting standards and interpretations
There were no new accounting standards and interpretations which had a material impact on adoption during the three months ended April 30, 2021.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

3. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	April 30, 2021	January 31, 2021
Cash at bank	$ 3,934,820	$ 3,281,202
	$ 3,934,820	$ 3,281,202

4. RECEIVABLES

Receivables consist of the following:

	April 30, 2021	January 31, 2021
GST/HST receivable	$ 102,495	$ 91,212
	$ 102,495	$ 91,212

(Unaudited; expressed in Canadian dollars)

5. EQUIPMENT

Cost		
Balance, January 31, 2020	$	227,326
Acquisitions	$	4,415
Dispositions		(13,510)
Balance, January 31, 2021		218,231
Acquisitions		-
Balance, April 30, 2021	$	218,231
Accumulated amortization		
Balance, January 31, 2020	$	213,118
Amortization		9,183
Amortization related to dispositions		(8,240)
Balance, January 31, 2021		214,061
Amortization		368
Balance, April 30, 2021	$	214,429
Net book value, January 31, 2021	$	4,170
Net book value, April 30, 2021	$	3,802

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6. DEPOSIT PAYABLE

The Company holds a $25,000 deposit payable to its sublessee after the lease terminates on January 31, 2022.

During the three months ended April 30, 2020, the Company recorded $3,973 as depreciation of right-of-use asset and $962 as finance costs prior to the Company subleased its office to a subleasee, resulting in the Company derecognized both the right-of-use asset and lease liability as of March 1, 2020.

7. RECLAMATION DEPOSITS

As of April 30, 2021, security deposits of $152,540 (January 31, 2021 - $152,540) were deposited with the Minister of Aboriginal Affairs and Northern Development Canada for land use permits issued by the Mackenzie Valley Land and Water Board ("MVLWB") for the Company's exploration properties in the Northwest Territories. The security deposits will be refunded once the land use permit ends and a final report describing land use activities during the respective term of the permits are submitted to the MVLWB and reclamation activities are completed.

8. EXPLORATION AND EVALUATION ASSETS

(a) Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold Project ("YCG") is comprised of the Northbelt, Southbelt, Eastbelt and Quyta-Bell properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt, Southbelt and Eastbelt properties as described in more detail below.

In May 2013, the Company granted Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) ("Osisko") an option to acquire a 2% net smelter return royalty ("NSR") on the Northbelt property. Osisko may exercise the option by payment of $2 million within three months following the commencement of production. In consideration of granting the option, the Company received 20,000 common shares of Osisko at a market value of $10 per share, the value of which was applied to reduce the acquisitions costs recorded for Northbelt by $200,000 in 2013.

On May 12, 2015, the Company entered into an agreement to grant an option to Osisko to purchase a 1% NSR on the YCG. To purchase this option, Osisko paid the Company $1,000,000 (received), which was applied as a reduction to the carrying value of the YCG. The option also entitles Osisko to purchase a 1% NSR on production from the properties that comprise the YCG by payment of an additional $2 million within three months following commencement of production.

Northbelt Property

The Company owns 100% of the mineral lease and claims in the Northbelt Property.

To April 30, 2021, the Company has incurred exploration and evaluation expenditures, net of recoveries, totaling $32,184,788 (January 31, 2021 - $31,886,629) on the Northbelt Property.

Southbelt Property

The Company owns 100% of the mineral claims in the Southbelt Property.

To April 30, 2021, the Company has incurred exploration and evaluation expenditures totaling $578,286 (January 31, 2021 - $578,286) on the Southbelt Property.

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

(a) Yellowknife City Gold Project, Northwest Territories (cont'd)

Eastbelt Property

On February 1, 2017, the Company announced that it had staked certain claims east of the City of Yellowknife known as the Eastbelt Property that have been incorporated into the YCG.

On September 15, 2017, the Company acquired contiguous claims which have been incorporated into the Eastbelt Property. The claims are subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000. On completion of the acquisition, the Company is also obligated to pay an annual advance royalty of $6,000 until the commencement of production. As consideration, the Company paid a total of $50,000 and issued a total of 150,000 common shares, of which the last 50,000 common shares were issued during on or before November 1, 2019.

On November 17, 2017, the Company acquired an additional contiguous claim that has been incorporated into the Eastbelt Property. As consideration, the Company paid $5,000 and issued 40,000 common shares at a fair value of $20,000. The Company also incurred additional acquisition costs of $17,166.

On September 25, 2018, the Company acquired additional contiguous claims, the Tom and Sickle claims, that have been incorporated into the Eastbelt Property. As consideration, the Company paid $25,000 and issued 250,000 common shares at a fair value of $95,000. The Company also incurred additional acquisition costs of $132,380. These claims are subject to a 2% net smelter royalty.

On January 30, 2020, the Company announced that it acquired 100% interest in two claims, Aurora 1 and 2 in Yellowknife which are contiguous to the existing properties. The acquisition terms are:

- $10,000 cash paid upon TSX-V acceptance for filing of the agreement (paid);
- 100,000 common shares issued upon TSX-V acceptance for filing of the agreement (issued) (Note 12); and
- A 2% net smelter return royalty with a buyback of 1% for $1 million and an additional 0.5% buyback for a further $1 million.

To April 30, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $1,622,057 (January 31, 2021 - $1,619,549) on the Eastbelt Property.

Quyta-Bell Property

On March 7, 2018, the Company announced that it had expanded its land position at the YCG project through the staking of an additional 337.5 square kilometers immediately to the north of its current properties. These additional 47 claims have been named the Quyta-Bell property and have been incorporated into the YCG.

To April 30, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $456,925 (January 31, 2020 - $441,269).

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

(a) Yellowknife City Gold Project, Northwest Territories (cont'd)

Newmont Exploration Property

On September 8, 2020, the Company entered into an Exploration Agreement with Venture Option (the "Agreement") with Newmont Ventures Limited and Miramar Northern Mining Ltd. (jointly, "Newmont") on certain mineral leases and mineral claims adjacent to the former Con Mine (the "Newmont Exploration Property"). The Agreement contains two phases of potential earn-in:

(i) In Phase one, Gold Terra can earn a 30% interest by spending a minimum of $3 million in exploration expenditures over a period of three years on the Newmont Exploration Property. Gold Terra will manage, fund and operate the program. Upon completing Phase one earn-in, the parties will form a joint venture.

(ii) In Phase two, Gold Terra can earn an additional 30% interest, for a 60% cumulative interest in the joint venture, by sole funding all expenditures and completing a prefeasibility study outlining a mineral resource containing at least 750,000 ounces of gold on the Newmont Exploration Property itself, and a combined 1.5 million ounces of gold on both the Newmont Exploration Property and the mineral claims in the immediate area which are already owned by Gold Terra. Gold Terra has a period of up to four additional years to complete Phase two earn-in and will also manage and operate the Phase two program.

Provided that Gold Terra completes Phase two earn-in, Newmont has a one time, back-in right to earn back a 20% interest in the joint venture, such that Newmont would then hold a 60% interest and Gold Terra would hold a 40% interest. The back-in right is triggered if a discovery of at least five million ounces of gold in all mineral resource categories is made within the Newmont Exploration Property and is exercisable by Newmont by providing certain cash reimbursements and payment to Gold Terra.

To April 30, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $1,893,876 (January 31, 2021 - $793,476).

(b) Stewart Property, Newfoundland

On June 28, 2010, and as last amended on September 26, 2012, the Company entered into an option agreement to acquire a 100% interest in the Stewart Property located in the Burin Peninsula of Newfoundland. The Company completed its commitments and acquired 100% interest.

The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

To April 30, 2021, the Company has incurred expenditures, net of write-off of lapsed licenses, totaling $1,082,458 (January 31, 2021 - $1,082,458) on the Stewart Property.

(c) Mulligan Property, New Brunswick

On October 21, 2019, the Company acquired 100% interest in the Mulligan Property through the acquisition of Gold Matter.

To April 30, 2021, the Company has incurred expenditures totaling $1,372,265 including the $1,109,744 acquisition costs (January 31, 2021 - $1,369,122 including the 1,109,744 acquisition costs) on the Mulligan Property.

(Unaudited; expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following are details of the Company's exploration and evaluation assets:

	Northbelt	Southbelt	Eastbelt	Quyta-Bell	Newmont	Stewart	Mulligan	Total
Balance at January 31, 2020	$ 27,399,720	$ 583,617	$ 1,518,902	$ 447,538	$ -	$ 1,081,708	$ 1,109,744	$ 32,141,229
Acquisition costs	28,349	-	74,312	403	17,514	-	250	120,828
Exploration costs:								
Assays and drilling (Note 10)	3,393,511	1,102	172	-	691,146	-	288,697	4,374,628
Community	45,348	-	-	-	1,175	-	-	46,523
Consulting (Note 10)	198,475	29,750	26,163	2,775	13,668	750	-	271,581
Environmental	153,102 -	2,250	-	-	37,125	-	-	187,977
Field expenses	172,485	2,680	-	-	32,848	-	4,589	212,601
Geophysical (Note 10)	532,253	-	-	-	-	-	844	533,097
	4,495,173	31,281	26,335	2,775	775,962	750	294,129	5,626,407
Impairment	-	-	-	-	-	-	-	-
Recoveries	(36,613)	(36,613)	-	(9,447)	-	-	(35,001)	(117,674)
Balance at January 31, 2021	$ 31,886,629	$ 578,286	$ 1,619,549	$ 441,269	$ 793,476	$ 1,082,458	$ 1,369,122	$ 37,770,790
Acquisition costs	3,281	-	2,485	16,103	-	-	-	21,869
Exploration costs:								
Assays and drilling (Note 10)	216,968	-	-	-	1,054,458	-	3,143	1,274,569
Community	8,450	-	-	-	-	-	-	8,450
Consulting (Note 10)	49,961	-	-	-	8,100	-	-	58,061
Environmental	1,641	-	-	-	8,139	-	-	9,780
Field expenses	17,857	-	23	(448)	28,828	-	-	46,261
Geophysical	-	-	-	-	876	-	-	876
	294,878	-	23	(448)	1,100,401	-	3,143	1,397,997
Impairment	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Balance at April 30, 2021	$ 32,184,788	$ 578,286	$ 1,622,057	$ 456,925	$ 1,893,876	$ 1,082,458	$ 1,372,265	$ 39,190,656

(Unaudited; expressed in Canadian dollars)

9. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

		April 30, 2021		January 31, 2021
Trade payables	$	80,565	$	361,534
Due to related parties (Note 10)		9,731		30,740
Accrued liabilities		28,750		30,000
	$	119,046	$	422,274

10. RELATED PARTY TRANSACTIONS

Related Party Balances

As at April 30, 2021, $9,731 (January 31, 2021 - $30,740) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

		Three months ended				Due to Related Parties		
		April 30, 2021		April 30, 2020		As at April 30, 2021		As at January 31, 2021
Consulting fees	$	-	$	33,788	$	-	$	-
Directors' fees		14,250		15,304		-		-
Geological consulting - exploration and evaluation assets [(a)]		23,931		329,409		9,210		16,747
Management compensation		150,000		165,000		-		-
Management expense reimbursement		-		-		522		3,493
Professional fees		30,000		25,000		-		10,500
Share-based payments		55,132		63,082		-		-
	$	273,313	$	631,583	$	9,731	$	30,740

[(a)] The Company incurred $23,931 (2020: $329,409) of geological consulting fees for its exploration and evaluation assets with a company related to the former Executive Chairman and current Chief Operating Officer of the Company.

11. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

Three months ended January 31, 2021:

a) On March 4, 2021, the Company completed a non-brokered private placement of 8,000,000 flow-through common shares of the Company (the "FT Shares") at a price of $0.36 per FT Share for gross proceeds of $2,880,000. Share issuance costs of $34,007 were incurred with respect to this placement.

Year ended January 31, 2021:

a) The Company issued 100,000 common shares with fair value of $25,000 towards consideration for the acquisition of exploration and evaluation assets (Note 9a).

b) The Company received net proceeds of $12,385 from the exercise of 34,402 warrants at $0.36 per share. The value of these warrants of $5,299 was reclassified from reserves to share capital.

c) The Company received net proceeds of $610 from the exercise of 1,000 stock options at $0.61 per share. The value of these options of $434 was reclassified from reserves to share capital.

d) On July 14, 2020, the Company closed a bought deal financing (the “Offering”) with BMO Capital Markets (the “Underwriter”) for aggregate gross proceeds of $7,130,000. Pursuant to the Offering, 12,700,000 common shares of the Company, including the exercise in full of the Underwriters' over-allotment option, were issued at a price of $0.30 per share and 8,000,000 charity flow-through common shares of the Company (the "Charity Flow-Through Common Shares") were issued at a price of $0.415 per Charity Flow-Through Common Share. Share issuance costs of $651,842 were incurred with respect to this Offering. The Offering was completed by way of a short form prospectus filed in all of the provinces of Canada, except Québec, and the Common Shares were sold elsewhere outside of Canada on a private placement basis.

Stock options

The Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer cannot exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities cannot exceed 2% of the issued and outstanding common shares.

Stock option transactions and the number of stock options for the three months ended April 30, 2021 are summarized as follows:

(Expressed in Canadian dollars)

11. SHARE CAPITAL (cont'd)

Stock options **(cont'd)**

Expiry date	Exercise price ($)	January 31, 2020	Issued	Exercised	Expired / cancelled	January 31, 2021	Issued	Exercised	Expired / cancelled	April 30, 2021
May 17, 2020	0.62	1,250,000	-	-	(1,250,000)	-	-	-	-	-
June 20, 2020	0.49	250,000	-	-	(250,000)	-	-	-	-	-
September 8, 2020	0.61	1,545,000	-	(1,000)	(1,544,000)	-	-	-	-	-
June 15, 2021[(a)]	0.41	1,250,000	-	-	-	1,250,000	-	-	-	1,250,000
December 30, 2024	0.30	2,710,000	-	-	-	2,710,000	-	-	-	2,710,000
April 14, 2025	0.30	-	400,000	-	-	400,000	-	-	-	400,000
August 11, 2025	0.435	-	1,125,000	-	-	1,125,000	-	-	-	1,125,000
December 11, 2025	0.350	-	1,281,250	-	-	1,281,250	-	-	-	1,281,250
December 18, 2025	0.350	-	200,000	-	-	200,000	-	-	-	200,000
Options outstanding		7,005,000	3,006,250	(1,000)	(3,044,000)	6,966,250	-	-	-	6,966,250
Options exercisable		4,138,750	100,000	(1,000)	(3,044,000)	2,705,000	-	-	-	3,086,250
Weighted average exercise price ($)		$ 0.45	$ 0.38	$ 0.61	$ 0.60	$ 0.35	$Nil	$Nil	$Nil	$ 0.35

[(a)] Subsequently expired unexercised

As at April 30, 2021, the weighted average remaining life of options outstanding was 3.35 years.

Three months ended April 30, 2021:

The Company recorded $129,815 of share-based compensation expense for stock options granted in previous periods but vested during the three months ended April 30, 2021.

Year ended January 31, 2021:

On April 14, 2020, the Company granted 400,000 stock options to an officer of the Company that can be exercised at $0.30 per share until April 14, 2025. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $50,066 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.34% and an expected volatility of 60.40%. The vesting of granted stock options resulted in share-based compensation of $34,205 being recorded during the year ended January 31, 2021.

On August 11, 2020, the Company granted 1,125,000 stock options to a new director, employees and consultants that can be exercised at $0.435 per share until August 11, 2025. These options vest 25% every six months following the grant date. The total fair value of $264,682 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.31% and an expected volatility of 62.63%. The vesting of granted stock options resulted in share-based compensation of $130,111 being recorded during the year ended January 31, 2021.

On December 11, 2020, the Company granted 1,281,250 stock options to officers, directors, employees and consultants that can be exercised at $0.35 per share until December 11, 2025. These options vest 25% every six months following the grant date. The total fair value of $212,415 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.28% and an expected volatility of 60.49%. The vesting of granted stock options resulted in share-based compensation of $32,783 being recorded during the year ended January 31, 2021.

On December 18, 2020, the Company granted 200,000 stock options to an employee that can be exercised at $0.35 per share until December 18, 2025. These options vest 25% every six months following the grant date. The total fair value of $31,688 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.27% and an expected volatility of 60.57%. The vesting of granted stock options resulted in share-based compensation of $4,891 being recorded during the year ended January 31, 2021.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (cont'd)

Warrants

The Company measures warrants issued with common shares in unit private placements using the residual method. During the year ended January 31, 2020, the issue price of units was not higher than the market price of the Company's shares at the time of issuance. Accordingly, no value was allocated to such warrants.

Warrant transactions and the number of warrants for the three months ended April 31, 2021 are summarized as follows:

Expiry date	Exercise price ($)	January 31, 2020	Issued	Exercised	January 31, 2021	Issued	Expired	April 30, 2021
April 12, 2021	0.60	4,209,821	-	-	4,209,821	-	(4,209,821)	-
April 12, 2021	0.40	420,982	-	-	420,982	-	(420,982)	-
June 26, 2021[(a)]	0.36	373,546	-	(34,402)	339,144	-	-	339,144
November 17, 2021	0.60	5,887,500	-	-	5,887,500	-	-	5,887,500
Warrants outstanding		10,891,849	-	(34,402)	10,857,447	-	(4,630,803)	6,226,644
Weighted average exercise price ($)		$ 0.58	$Nil	$ 0.36	$ 0.58	$Nil	$ 0.58	$ 0.59

[(a)] Subsequently expired unexercised

As at April 30, 2021, the weighted average remaining life of warrants outstanding was 0.53 year.

12. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finder's warrants are issued, granted and exercised, at which time the corresponding amount will be transferred to share capital.

13. FINANCIAL RISK AND CAPITAL MANAGEMENT

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:

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 held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

(Expressed in Canadian dollars)

13. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Foreign exchange risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

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 has positive cash balances at April 30, 2021 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Fair value
The Company classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; and trade payables as financial liabilities at amortized cost. The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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 and 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.

Cash and cash equivalents are classified as level 1.

14. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended April 30, 2021 and 2020, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	April 30	
	2021	**2020**
Exploration expenditures included in trade payables and accrued liabilities	$ 86,045	$ 1,290,570
Fair value of shares issued for mineral property acquisition	$ -	$ 25,000

(Expressed in Canadian dollars)

15. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

		April 30, 2021		**January 31, 2021**
Balance, beginning of period	$	137,699	$	-
Deferred premium on flow-through shares issued		880,000		960,000
Recognition of deferred premium on flow-through shares		(382,017)		(822,301)
Balance, end of period	$	635,682	$	137,699

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the three months ended April 30, 2021, the Company received $2,880,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $880,000. During the three months ended April 30, 2021, the Company incurred and renounced eligible expenditures of $1,275,795. These expenditures will not be available to the Company for future deduction from taxable income.

During the year ended January 31, 2021, the Company received $3,320,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $960,000. During the year ended January 31, 2021, the Company incurred and renounced eligible expenditures of $2,843,789. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as deferred income. As at April 30, 2021, the Company has a remaining qualifying expenditure commitment of $2,080,416 from the proceeds of flow-through shares issued on March 4, 2021. These funds must be spent on eligible exploration expenditures prior to December 31, 2022.

16. SUBSEQUENT EVENT

On June 15, 2021, 1,250,000 stock options expired unexercised.

On June 26, 2021, 339,144 warrants expired unexercised.