



(Formerly Golden Opportunity Resources Corp.)

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 2021 AND 2020
(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Silver Sands Resources Corp. (formerly Golden Opportunity Resources Corp.)

Opinion

We have audited the financial statements of Silver Sands Resources Corp. (formerly Golden Opportunity Resources Corp.) (the "Company"), which comprise the statements of financial position as at January 31, 2021 and 2020, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying 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.

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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 International Financial Reporting Standards, 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 David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 31, 2021



An independent firm
associated with Moore
Global Network Limited

SILVER SANDS RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	January 31, 2021	January 31, 2020
ASSETS		
CURRENT		
Cash	\$ 2,301,533	\$ 103,724
Prepaid expenses	131,051	4,200
GST receivable	61,129	10,337
	2,493,713	118,261
EXPLORATION AND EVALUATION ASSETS (Note 4)	3,033,399	115,911
	\$ 5,527,112	\$ 234,172
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 47,813	\$ 25,959
	47,813	25,959
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	6,935,028	581,046
Contributed surplus	1,021,116	152,500
Deficit	(2,476,845)	(525,333)
	5,479,299	208,213
	\$ 5,527,112	\$ 234,172

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS (Note 4)
SUBSEQUENT EVENT (Note 11)

Approved and authorized for issue on behalf of the Board on May 31, 2021.

"Keith Anderson" Director "Alexander Helmel" Director

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

SILVER SANDS RESOURCES CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year ended January 31, 2021	Year ended January 31, 2020
EXPENSES		
Advertising and promotion	\$ 351,078	\$ 6,682
Consulting fees (Note 7)	218,239	56,500
Management fees (Note 7)	90,000	42,000
Office and Miscellaneous	9,138	14,765
Professional fees	49,002	126,408
Property investigation costs	1,360	-
Rent	-	24,414
Share-based payments (Notes 6 and 7)	685,582	102,500
Transfer agent and filing fees	88,210	24,391
LOSS BEFORE OTHER ITEMS	\$ 1,492,609	\$ 397,660
OTHER ITEMS:		
Write off of exploration and evaluation asset (Note 4)	458,903	-
NET LOSS AND COMPREHENSIVE LOSS	\$ 1,951,512	\$ 397,660
LOSS PER SHARE (basic and diluted)	\$ (0.05)	\$ (0.04)
WEIGHED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (basic and diluted)	39,976,755	11,162,404

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

SILVER SANDS RESOURCES CORP.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	<u>Common Shares</u>		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, January 31, 2020	14,331,001	581,046	152,500	(525,333)	208,213
Shares issued for private placements	34,006,667	4,924,727	-	-	4,924,727
Shares issued for exercise of warrants	2,043,304	561,802	(13,472)	-	548,330
Shares issued for exercise of options	300,000	59,054	(21,554)	-	37,500
Shares issued for exploration assets	5,245,269	1,026,459	-	-	1,026,459
Share-based payments	-	(218,060)	903,642	-	685,582
Net loss for the year	-	-	-	(1,951,512)	(1,951,512)
Balance, January 31, 2021	55,926,241	6,935,028	1,021,116	(2,476,845)	5,479,299
Balance, January 31, 2019	10,450,001	297,501	30,000	(127,673)	199,828
Shares issued for cash	3,781,000	273,545	20,000	-	293,545
Shares issued for exploration assets	100,000	10,000	-	-	10,000
Share-based payments	-	-	102,500	-	102,500
Net loss for the year	-	-	-	(397,660)	(397,660)
Balance, January 31, 2020	14,331,001	581,046	152,500	(525,333)	208,213

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

SILVER SANDS RESOURCES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended January 31, 2021	Year ended January 31, 2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	\$(1,951,512)	\$ (397,660)
Items not involving cash:		
Share-based payments	685,582	102,500
Write off of exploration and evaluation assets	458,903	-
Changes in non-cash working capital balances:		
GST receivable	(50,792)	(7,752)
Accounts payable and accrued liabilities	21,854	(367)
Prepaid expense	(126,851)	(4,200)
Cash used in operating activities	(962,816)	(307,479)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(2,349,932)	2,741
Cash (used in) provided by investing activities	(2,349,932)	2,741
FINANCING ACTIVITIES		
Proceeds from exercising options	37,500	-
Proceeds from issuing common shares	4,924,727	293,545
Proceeds from exercising warrants	548,330	-
Cash provided by financing activities	5,510,557	293,545
INCREASE (DECREASE) IN CASH	2,197,809	(11,193)
CASH, BEGINNING	103,724	114,917
CASH, ENDING	\$ 2,301,533	\$ 103,724
Non-cash items:		
Shares issued for exploration and evaluation assets	\$ 1,026,459	\$ 10,000

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

SILVER SANDS RESOURCES CORP. (formerly Golden Opportunity Resources Corp.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 2021 AND 2020
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Silver Sands Resources Corp. (the “Company” or “Silver Sands”) (formerly “Golden Opportunity Resources Corp.”) was incorporated on January 31, 2018 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 830-1100 Melville Street, Vancouver, British Columbia, Canada. On, November 27, 2019, the Company’s common shares commenced trading on the Canadian Securities Exchange (the “Exchange”). On June 8, 2020, the Company changed its name to Silver Sands Resources Corp. and changed its symbol to “SAND”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at January 31, 2021, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$2,476,845 as at January 31, 2021, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 31, 2021.

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

d) Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

f) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

g) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

h) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is minimal.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Financial instruments

Financial assets

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three categories of financial assets: Measured at amortization cost after initial recognition, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL").

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

A financial asset is measured at amortized cost if 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. Equity instruments are generally classified as FVTPL. For equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVOCI with only dividend income recognized in profit or loss.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined, and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account, and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

All financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

As at January 31, 2021, the Company classified its financial instruments as follows:

Financial asset/ liability	IFRS 9 classification
Cash	Amortized cost
GST receivable	Amortized cost
Accounts payable and accrued liability	Amortized cost

m) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

n) Accounting standards adopted

IFRS 16 'Leases' ("IFRS 16") Effective February 1, 2019, the Company adopted IFRS 16 which supersedes IAS 17 Leases ("IAS 17"). The Company has applied the new standard using the modified retrospective approach with no restatement of comparative periods. There were no adjustments to retained earnings as a result of adoption. The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its previous assessment made under IAS 17 and IFRIC 4 Determining whether an arrangement contains a lease. The definition of a lease under IFRS 16 was applied only to contracts entered into or modified on or after February 1, 2019.

The Company applied the following practical expedients when adopting IFRS 16 to leases previously classified as operating leases under IAS 17:

- Relied on previous assessments on whether leases are onerous; and
- Applied the exemption not to recognize right-of-use assets and liabilities for leases where the lease term ends within 12 months of the date of initial application.

On transition to IFRS 16, the Company did not recognize any lease assets or liabilities as it did not have any lease agreements in place. During the year ended January 31, 2020, the Company incurred \$24,414 in rent expense, relating to short-term leases. There has been no similar rent expense in the year ending January 31, 2021.

o) New accounting standards

Other new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 reporting period. Actual outcomes 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 estimation 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:

Significant accounting estimates

- i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
- ii. the measurement of deferred income tax assets and liabilities; and,
- iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

- i. the determination of categories of financial assets and financial liabilities; and
- ii. the evaluation of the Company's ability to continue as a going concern.

4. EXPLORATION AND EVALUATION ASSETS

Maple Bay Coastal Copper Project

Pursuant to an option agreement dated March 12, 2018 (the "Agreement"), with Rich River Exploration and Craig A. Lynes (collectively, the "Optionors"), the Company was granted an option to acquire a 100% undivided interest in the Coastal Copper Claim (the "Property") located near Maple Bay area, Stewart district, British Columbia.

In accordance with the Agreement, the Company had the option to acquire 51% undivided interest (earned) in the Property by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing 600,000 common shares to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$600,000 in exploration expenditures.

The Property is comprised of one mineral claim.

The Optionors will retain a 3% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the first 1% for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production. On November 24, 2020, prior to the second anniversary of the listing, the Company announced the termination of the Agreement and subsequently recorded a mineral property impairment of \$115,911 during the year ended January 31, 2021.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Detour Lake Claims

On February 3, 2020, the Company entered into a property option agreement to acquire 100% of the optionor's rights, title and interest in and to certain mineral property claims in the Detour Lake district, Ontario, Canada by making cash payments, share issuances, and work commitments as follows:

	Common Shares	Cash	Exploration Expenditures
	Number	\$	\$
Upon closing of the agreement (<i>issued and paid</i>)	1,500,000	20,000	-
On or before February 3, 2021	1,500,000	25,000	100,000
On or before February 3, 2022	-	50,000	250,000
On or before February 3, 2023	-	-	300,000
Total	3,000,000	95,000	650,000

The optionors retain a 3% NSR of which the Company can purchase two-thirds (2%) for CAD \$1,000,000. The Company decided not to proceed with the Detour Lake project during the year ended January 31, 2021, as such, the option agreement was terminated and the project was fully impaired during the year ended January 31, 2021.

Virginia Silver Project, Santa Cruz, Argentina

On May 20, 2020 the Company closed the Virginia Silver acquisition with Mirasol Resources Ltd. ("Mirasol"), allowing the Company to earn a 100% interest, subject to a 3% NSR, by making cash payments, share issuances, and exploration expenditures as follows:

Cash payments *:

- US\$25,000 payment on execution of the original letter of intent (paid)
- US\$25,000 payment on signing the agreement with Mirasol (paid)

* Cash payments will be applied as a credit towards year one exploration expenditures below.

Share issuances:

- 9.9% of the issued and outstanding shares of the Company upon signing of the agreement: (3,745,269 shares have been issued);
- the number of shares equivalent to 5% of the Company on first anniversary date;
- the number of shares equivalent to 5% of the Company on second anniversary date; and
- the number of shares required such that Mirasol's holdings are 19.9% of the Company on the third anniversary date following the issuance of the shares.

Exploration expenditures:

- complete \$1,000,000 (U.S.) * of exploration expenditures on the property within year one;
- complete \$2,000,000 (U.S.) * of exploration expenditures on the property within year two; and
- complete \$3,000,000 (U.S.) * of exploration expenditures on the property within year three.

* Excess expenditures in previous years may be applied to subsequent years.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

A summary of expenditures at the Company's projects is outlined in the following table:

	Virginia Silver Argentina	Detour Lake Claims	Maple Bay Coastal Copper Project	Total
Balance, January 31, 2019	\$ -	\$ -	\$ 108,652	\$ 108,652
Property acquisition costs	-	-	10,000	10,000
Mining tax credit received	-	-	(2,741)	(2,741)
Balance, January 31, 2020	\$ -	\$ -	\$ 115,911	\$ 115,911
Property acquisition costs	892,092	222,600	-	1,114,692
Exploration costs				
Geological	2,141,307	120,392	-	2,261,699
Write off of exploration and evaluation assets	-	(342,992)	(115,911)	(458,903)
Balance, January 31, 2021	\$ 3,033,399	\$ -	\$ -	\$ 3,033,399

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2021	January 31, 2020
Accounts payable	\$ 27,813	\$ 10,959
Accrued liabilities	20,000	15,000
	\$ 47,813	\$ 25,959

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% every six months from date of listing. At January 31, 2021, there were 1,200,001 common shares held in escrow.

c) As at January 31, 2021, 55,926,241 common shares were issued and outstanding.

During the year ended January 31, 2021:

Pursuant to a property option agreement dated February 3, 2020, the Company issued 1,500,000 common shares with a fair value of \$202,500 (note 4).

Pursuant to a property option agreement with Mirasol on May 20, 2020, the Company issued 3,745,269 common shares with a fair value of \$823,959 (note 4).

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6. SHARE CAPITAL (continued)

c) Issued and Outstanding: (continued)

On May 20, 2020, the Company issued 22,000,000 units for gross proceeds of \$2,200,000. Each unit consists of one common share in the capital of the Company and one-half of one warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.25 per share at any time prior to May 21, 2022.

In connection with the financing, the Company paid 7% cash finders' fees totalling \$75,250, legal fees of \$8,729 and issued 752,500 broker warrants which have the same terms as the subscriber warrants described above. The fair value of the brokers warrants was calculated to be \$102,634 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: Expected life – 2 years, Risk-free rate – bond equivalent yield – 0.30%, Annualized volatility – 130%, Dividend yield – 0%.

On July 16, 2020, the Company issued 1,006,667 Flow Through (“FT”) units for gross proceeds of \$151,000. Each FT unit consists of one flow-through common share at \$0.15 per share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share (which is not a flow-through share) at \$0.30 per common share for a period of 24 months following the date of issuance. The warrants are subject to an acceleration right that allows the company to give notice of an earlier expiry date if the company's share price on the Canadian Securities Exchange (or such other stock exchange the shares may be trading on) is equal to or greater than 50 cents for a period of 10 consecutive trading days. The company has paid 7% cash finders' fees totalling \$3,570 and issued 23,800 broker warrants that have the same terms as the subscribers' warrants described above. The fair value of the brokers warrants was calculated to be \$3,200 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: Expected life – 2 years, Risk-free rate – bond equivalent yield – 0.265%, Annualized volatility – 130%, Dividend yield – 0%.

On August 21, 2020 the Company closed a non-brokered private placement for aggregate gross proceeds of \$2,750,000 through the issuance of up to 11,000,000 units of the Company at a price of \$0.25 per unit. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one share at a price of \$0.30 per share for a period of 24 months following the date of issuance. The warrants are subject to an acceleration right that allows the company to give notice of an earlier expiry date if the company's share price on the Canadian Securities Exchange (or such other stock exchange the shares may be trading on) is equal to or greater than \$0.50 for a period of 10 consecutive trading days.

The Company has paid 7% cash finders' fees totalling \$88,725 and issued 354,900 broker warrants, which have the same terms as the subscribers' warrants described above. The fair value of the brokers warrants was calculated to be \$112,183 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: Expected life – 2 years, Risk-free rate – bond equivalent yield – 0.28%, Annualized volatility – 130%, Dividend yield – 0%.

The Company issued 2,043,304 common shares pursuant to the exercise of 2,043,304 warrants between \$0.10 and \$0.30 per share for proceeds of \$548,330.

The Company issued 300,000 common shares pursuant to the exercise of 300,000 options between \$0.10 and \$0.15 per share for proceeds of \$37,500.

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6. SHARE CAPITAL (continued)

c) Issued and Outstanding: (continued)

During the year ended January 31, 2020:

On November 26, 2019, the Company completed its initial public offering (the "IPO") of 3,781,000 units of the Company at a price of \$0.10 per unit for gross proceeds of \$378,100. Each unit consists of one common share in the capital of the Company and one-half of one transferable common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.25 per share at any time prior to November 26, 2021.

In connection with the IPO, the Company paid \$84,555 in cash and granted the agent and its selling group compensation warrants entitling the holder to purchase, in total, 378,100 common shares of the Company at a price of \$0.10 per share, exercisable on or before November 26, 2021. The stock options were valued at \$20,000 using the Black Scholes Option Pricing model using the following assumptions: share price: \$0.10, expected life: 2 years, expected volatility: 100%, dividend yield: 0%, risk-free interest rate: 1.57% and fair value of \$0.05.

On November 26, 2019, the Company issued 100,000 common shares for coastal copper exploration and evaluation asset upon the listing of its common shares for trading.

d) **Warrants:**

Warrant transactions and the number warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price (\$)
Balance, January 31, 2019	1,975,000	\$0.20 - \$0.30
Issued	2,268,600	0.23
Balance, January 31, 2020	4,243,600	0.23
Issued	18,134,534	0.27
Expired	(750,000)	(0.30)
Exercised	(2,043,304)	0.27
Outstanding, January 31, 2021	19,584,830	0.26

The following table summarizes the warrants outstanding as at January 31, 2021:

Exercise price	Number of warrants outstanding and exercisable	Expiry date
\$0.25	1,268,000	November 26, 2021
\$0.10	219,796	November 26, 2021
\$0.25	11,715,000	May 20, 2022
\$0.30	527,134	July 16, 2022
\$0.30	5,854,900	Aug 22, 2022
	19,584,830	

Weighted average remaining warrant life at January 31, 2021: 1.34 years.

6. SHARE CAPITAL (continued)

e) Stock Options:

The Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees, and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

On December 4, 2020, the Company granted 250,000 stock options to certain directors and officers of the Company at an exercise price of \$0.255 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.255, expected life 5 years, risk-free dividend equivalent yield 0.500%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$54,559.

On November 4, 2020, the Company granted 100,000 stock options to certain directors and officers of the Company at an exercise price of \$0.25 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.25, expected life 5 years, risk-free dividend equivalent yield 0.380%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$20,458.

On September 30, 2020, the Company granted 1,100,000 stock options to certain directors and officers of the Company at an exercise price of \$0.225 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.225, expected life 5 years, risk-free dividend equivalent yield 0.360%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$221,909.

On May 26, 2020, the Company granted an aggregate of 2,150,000 stock options to certain directors, officers, and consultants of the Company at an exercise price of \$0.20 for a period of five years from the date of grant. 2,100,000 of the options vested immediately and 50,000 of the options vest as follows: 25% immediately, 25% on August 26, 2020, 25% on November 26, 2020, and 25% on February 26, 2021. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.20, expected life 5 years, risk-free dividend equivalent yield 0.40%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options vested during the year ended January 31, 2021 was calculated to be \$347,398.

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6. SHARE CAPITAL (continued)

c) Stock Options: (continued)

On May 21, 2020, the Company granted 150,000 stock options to a consultant of the Company at an exercise price of \$0.125 for a period of five years from the date of grant. The options grant vests as follows: 25% immediately, 25% on August 22, 2020, 25% on November 22, 2020, and 25% on February 22, 2021. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.22, expected life 5 years, risk-free dividend equivalent yield 0.42%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options vested during the year ended January 31, 2021 was calculated to be \$25,624.

On April 24, 2020, the Company granted 150,000 stock options to a consultant of the Company at an exercise price of \$0.125 for a period of five years from the date of grant. The options grant vests as follows: 25% immediately, 25% on July 24, 2020, 25% on October 24, 2020, and 25% on January 24, 2021. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.125, expected life 5 years, risk-free dividend equivalent yield 0.43%, annualized volatility 130%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$15,345.

On January 24, 2020, the Company granted 833,100 stock options to certain directors and officers of the Company at an exercise price of \$0.15 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.15, expected life 5 years, risk-free dividend equivalent yield 1.39%, annualized volatility 100%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$57,500.

On March 19, 2019, the Company granted 600,000 stock options to certain directors and officers of the Company at an exercise price of \$0.10 for a period of five years from the date of grant, with all options vested immediately upon grant. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: average exercise price \$0.10, expected life 5 years, risk-free dividend equivalent yield 1.62%, annualized volatility 100%, dividend rate 0%. Accordingly, the fair value of these options was calculated to be \$45,000.

Option transactions and the number of options outstanding are summarized as follows:

	Options Outstanding	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (years)
Outstanding, January 31, 2019	–	\$ –	–
Issued	1,433,100	\$ 0.13	–
Outstanding, January 31, 2020	1,433,100	\$ 0.13	4.38
Issued	3,900,000	\$ 0.21	–
Exercised	(300,000)	\$ 0.13	–
Outstanding, January 31, 2021	5,033,100	\$ 0.19	4.27

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6. SHARE CAPITAL (continued)

c) Stock Options: (continued)

The following table summarizes the options outstanding as at January 31, 2021:

Exercise price	Number of options outstanding	Expiry date
\$ 0.10	450,000	March 19, 2024
\$ 0.15	683,100	January 24, 2025
\$ 0.125	150,000	April 24, 2025
\$0.22	150,000	May 20, 2025
\$0.20	2,150,000	May 25, 2025
\$0.225	1,100,000	September 20, 2025
\$0.25	100,000	November 4, 2025
\$0.255	250,000	December 4, 2025
	5,033,100	

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management includes directors and key officers of the Company, including the President, Chief Executive officer and Chief Financial Officer.

During the year ended January 31, 2021 the Company paid \$143,900 (2020: \$46,500) in consulting fees and \$87,000 (2020: \$42,000) in management fees to key management of the Company and incurred a share-based payment of \$399,997 (2020: \$102,500) to key management of the Company.

At January 31, 2021, \$868 (2020: \$Nil) was owed to related parties.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has classified its cash and GST receivables measured at fair value in the statement of financial position using level 1 inputs. Accounts payable are classified as other liabilities, and their fair values approximate their carrying values due to the short terms to maturity.

Financial risk management objectives and policies

The Company's financial instruments include cash, loan payable, and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

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9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. INCOME TAX

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.0% (2020 - 27.0%) to income before income taxes.

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

	2021	2020
Net loss for the year	\$ (1,951,512)	\$ (397,660)
Statutory income tax rate	27.0%	27.0%
Income tax benefit computed at statutory tax rate	(533,000)	(107,000)
Permanent differences	(415,000)	38,000
Impact of flow-through shares	41,000	
Share issue costs	(22,000)	(22,000)
Unrecognized benefit of deferred income tax assets	929,000	91,000
Deferred income tax recovery	\$ -	\$ -

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of January 31 are as follows:

	2021	2020
Non-capital losses carried forward	\$ 350,000	\$ 122,000
Exploration and evaluation assets	645,000	(24,000)
Share issue costs	49,000	17,000
	\$ 1,044,000	\$ 115,000
Unrecognized deferred tax assets	(1,044,000)	(115,000)
	\$ -	\$ -

The Company has non-capital losses of \$2,368,433 available for carry-forward to reduce future years' income for income tax purposes, expiring starting 2039.

11. SUBSEQUENT EVENT

Subsequent to January 31, 2021, on May 20, 2021, the Company issued 2,805,212 common shares to Mirasol representing 5% of the issued and outstanding share capital of the Company, pursuant to the agreement (Note 4). Following the issuance, Mirasol holds an aggregate of 6,550,481 common shares of the Company, representing approximately 11.1% of the issued common share capital of the Company.