FABLED SILVER GOLD CORP.

(FORMERLY FABLED COPPER CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fabled Silver Gold Corp. (formerly Fabled Copper Corp.)

Opinion

We have audited the accompanying consolidated financial statements of Fabled Silver Gold Corp. (formerly Fabled Copper Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity(deficit), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements sectionof our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit ofthe consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has events and conditions that indicate 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continueas a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accountingunless 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as 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 significantdoubt 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 consolidated financial statementsor, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtainedup to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continueas a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Erez Bahar.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 28, 2021

Table of Contents

(Expressed in Canadian Dollars)

As at	Note(s)	December 31, 2020 $	(Restated - Note 2) December 31, 2019 $	(Restated - Note 2) January 1, 2019 $
ASSETS				
Current assets				
Cash		1,797,493	121,325	712,895
Amounts receivable		169,444	37,237	3,190
Prepaid expenses		121,264	14,115	39,115
		2,088,201	**172,677**	**755,200**
Non-current assets				
Exploration and evaluation assets	3	716,093	-	7,317,218
TOTAL ASSETS		**2,804,294**	**172,677**	**8,072,418**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	4	186,374	291,387	49,699
Due to related party	7	77,253	29,722	1,484
Note payable	5	5,000	10,000	10,000
TOTAL LIABILITIES		**268,627**	**331,109**	**61,183**
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital	6	13,750,054	10,132,311	10,132,311
Reserves	6	628,758	143,285	22,840
Foreign currency translation reserve		8,722	-	-
Deficit		(11,851,867)	(10,434,028)	(2,143,916)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		**2,535,667**	**(158,432)**	**8,011,235**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		**2,804,294**	**172,677**	**8,072,418**

Corporate information and continuance of operations	1
Commitments	3, 8
Segmented information	9
Subsequent events	3, 8, 13

These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Harrison Director **/s/ David W. Smalley Director**

(Expressed in Canadian Dollars)

		For the years ended	
		December 31, 2020	**December 31, 2019 (Restated - Note 2)**
	Note(s)	**$**	**$**
Expenses			
Consulting fees		-	15,750
Exploration and evaluation costs	3	119,224	652,280
Foreign exchange loss		9,906	-
General and administrative expenses		27,132	10,187
Investor relations and promotion		223,970	-
Management fees	7	120,000	-
Pre-exploration expenditures	3	231,784	-
Professional fees	7	145,398	57,494
Property investigation costs		39,999	-
Regulatory and filing fees		126,668	33,344
Share-based payments	6, 7	72,384	120,445
Travel		3,769	-
		(1,120,234)	**(889,500)**
Other income (expenses)			
Finance costs	3	(150,000)	-
Impairment of mineral properties	3	(150,000)	(7,400,612)
Interest income		2,395	-
		(297,605)	**(7,400,612)**
Loss for the year		**(1,417,839)**	**(8,290,112)**
Other comprehensive income			
Foreign currency translation differences for foreign operations		8,722	-
Total comprehensive year		**(1,409,117)**	**(8,290,112)**
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share)		**(0.03)**	**(0.19)**
Weighted average number of common shares outstanding - basic and diluted		**49,882,184**	**44,009,760**

(Expressed in Canadian Dollars)

		Share capital					
	Note(s)	Number of shares	Amount	Reserve	Foreign currency translation reserve	Deficit	Total
Balance at December 31, 2018 (Restated - Note 2e)		**44,009,760**	**10,132,311**	**22,840**	**-**	**(2,143,916)**	**8,011,235**
Share-based payments		-	-	120,445	-	-	**120,445**
Loss for the year		-	-	-	-	(8,290,112)	**(8,290,112)**
Balance at December 31, 2019		**44,009,760**	**10,132,311**	**143,285**	**-**	**(10,434,028)**	**(158,432)**
Shares issued for cash - private placement	6	92,000,000	4,600,000	-	-	-	**4,600,000**
Share issue costs							
- Cash	6	-	(656,118)	-	-	-	**(656,118)**
- Shares	6	2,800,000	-	-	-	-	**-**
- Warrants	6	-	(413,089)	413,089	-	-	**-**
Shares issued for exploration and evaluation assets	3, 6	1,000,000	70,000	-	-	-	**70,000**
Shares issued for investor relations services	6	242,143	16,950	-	-	-	**16,950**
Share-based payments	6	-	-	72,384	-	-	**72,384**
Other comprehensive income		-	-	-	8,722	-	**8,722**
Loss for the year		-	-	-	-	(1,417,839)	**(1,417,839)**
Balance at December 31, 2020		**140,051,903**	**13,750,054**	**628,758**	**8,722**	**(11,851,867)**	**2,535,667**

(Expressed in Canadian Dollars)

		For the years ended	
		December 31, 2020	December 31, 2019 (Restated - Note 2)
	Note(s)	$	$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Loss for the year		(1,417,839)	(8,290,112)
Adjustments for items not affecting cash:			
Share-based payments	6	72,384	120,445
Services paid by common shares	6, 8	16,950	-
Impairment of evaluation and exploration assets	4	150,000	7,400,612
Change in non-cash working capital			
Amounts receivable		(131,081)	(34,047)
Prepaid expenses		(106,969)	25,000
Accounts payable and accrued liabilities		(105,013)	241,688
Due to related parties		47,531	28,238
Cash flow used in operating activities		**(1,474,037)**	**(508,176)**
INVESTING ACTIVITIES			
Acquisition costs on exploration and evaluation assets	3	(791,522)	(83,394)
Cash flow used in investing activities		**(791,522)**	**(83,394)**
FINANCING ACTIVITIES			
Proceeds from share issuance, net of share issue costs	6	3,943,882	-
Repayment of note payable	5	(5,000)	-
Proceeds on issuance of promissory notes	7	46,500	-
Repayment of promissory notes	7	(46,500)	-
Cash flow from financing activities		**3,938,882**	**-**
Effects of exchange rate changes on cash		2,845	-
Increase (decrease) in cash		**1,676,168**	**(591,570)**
Cash, beginning of year		**121,325**	**712,895**
Cash, end of year		**1,797,493**	**121,325**
SUPPLEMENTAL CASH FLOW			
Shares issued for exploration and evaluation assets	6	70,000	-
Fair value of warrants issued	6	413,089	-
Cash paid during the year for interest		-	-
Cash paid during the year for income taxes		-	-

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Silver Gold Corp. (formerly Fabled Copper Corp. and Flying Monkey Capital Corp.) (the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 15, 2014 and changed its name from Flying Monkey Capital Corp. to Fabled Copper Corp. on September 26, 2018 and from Fabled Copper Corp. to Fabled Silver Gold Corp. on October 19, 2020.

The Company is listed on the TSX Venture Exchange (the "Exchange") under the symbol "FCO", on the OTC:QB under the symbol "FBSGF" since March 22, 2021, and on the Frankfurt Stock Exchange under the symbol "7NQ" since December 18, 2020. The Company is currently engaged in exploration of mineral properties and holds a 100% interest in copper properties located in British Columbia, Canada and an option interest in Mexico as discussed below.

The head office and the registered address of the Company are 480 – 1500 West Georgia Street, Vancouver, BC V6G 2Z6, Canada.

On August 5, 2020, Fabled Silver Gold Mexico Corp, SA de CV ("FSGMC"), a wholly-owned subsidiary of the Company, was incorporated under the laws of Mexico.

These 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 of December 31, 2020, the Company had working capital of $1,819,574 (December 31, 2019 – working capital deficiency of $158,432), had not advanced its mineral 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 exercise of its mineral property option agreements, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments as at the date the Board of Directors approved these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, these uncertainties cast a significant doubt on the ability of the Company to continue operations as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

Acquisition of Santa María Mine Property

On July 14, 2020, and as amended on September 30, 2020 and October 29, 2020, the Company entered into a letter of intent (the "LOI") with an arm's length vendor, Golden Minerals Company ("Golden Minerals"), for a proposed transaction (the "Acquisition") under which Golden Minerals will grant the Company an option to acquire a 100% interest in the Santa María Property in the State of Chihuahua, Mexico ("Santa María Project"). The Acquisition was completed on December 4, 2020 (Note 3).

Financing

On August 14, 2020, the Company completed a private placement of subscription receipts of the Company at a price of $0.05 per subscription receipt (the "Subscription Receipts") for aggregate gross proceeds of $4,600,000 (the "Financing"). The escrow release conditions for the Financing were satisfied as of December 4, 2020 and the Subscription Receipts have converted into 92,000,000 units of the Company (Note 6).

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

COVID-19

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 results of operations at this time.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

a) Statement of compliance to International Financial Reporting Standards

These consolidated financial statements of the Company 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").

The policies set out below were consistently applied to all periods presented unless otherwise noted below.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company for the year ended December 31, 2020 were approved by the Board of Directors on April 28, 2021.

b) Basis of preparation

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on December 31, 2020. In addition, these financial statements are presented in Canadian dollars (CAD).

c) Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and the following wholly-owned subsidiaries of the Company:

- Fabled Copper and Gold Corp., a company incorporated under the laws of Canada; and
- Fabled Silver Gold Mexico Corp. a company incorporated under the laws of Mexico.

All subsidiaries have a reporting date of December 31.

- ***Subsidiaries***
  A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

- ***Acquisitions and disposals***
  The results of businesses acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred; the results of businesses sold during the reporting period are included in the consolidated financial statements for the period up to the date the control is ceased.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

c) Basis of consolidation (continued)

- ***Acquisitions and disposals***
  Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

d) Significant management judgment and estimates in applying accounting policies

The preparation of these financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

- **Critical accounting estimates**

  Carrying value and recoverability of exploration and evaluation assets
  The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

  Share-based payments
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

d) Significant management judgment and estimates in applying accounting policies (continued)

- **Critical accounting estimates (continued)**

Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Shares issued for service
The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration, specifically relating to shares issued for services and for exploration and evaluation properties. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the good or service. When no market price is available, a valuation technique is used to determine what price the equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. In the case of the Company, the fair value of the shares issued was estimated with reference to the quoted price of the shares issued.

- **Critical accounting judgments**

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of going concern (note 1)
The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Determination of functional currency
In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", the functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operates. The functional currencies of the Company and its subsidiaries are as follows:

- Fabled Silver Gold Corp.	CAD
- Fabled Copper and Gold Corp.	CAD
- Fabled Silver Gold Mexico Corp SA de CV	Mexico Peso (MXN)

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

e) Changes in accounting policy

We have applied the accounting policies set out in note 2(f) consistently to all periods presented in these financial statements, except as of the following:

Exploration and evaluation expenditures

The Company's previous accounting policy was to capitalize exploration and evaluation expenditures. In preparation for the possible construction and operation of our mineral projects, we have updated our policy with respect to such expenditures. The new policy is to expense such expenditures as incurred. Specific details of the new policy are explained in note 2(f).

We believe that the information provided by this policy change will be more useful to readers as it provides better comparability of our financial position, changes in financial position, and results of operations with those of our current and future peer groups. Consequently, the revised treatment results in more relevant and no less reliable information than was previously presented. We have applied this change in accounting policy retrospectively, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The effects of the above changes on our financial position, changes in financial position, and results of operation are presented here:

Effect on the consolidated statements of financial position of changes in accounting policy

	As at January 1, 2019		
	As previously presented $	Change $	As restated $
ASSETS			
Exploration and evaluation assets	7,581,896	(264,678)	7,317,218
SHAREHOLDERS' EQUITY			
Deficit	(1,879,238)	(264,678)	(2,143,916)

	As at December 31, 2019		
	As previously presented $	Change $	As restated $
ASSETS			
Exploration and evaluation assets	-	- (1)	-
SHAREHOLDERS' EQUITY			
Deficit	(10,434,028)	- (1)	(10,434,028)

(1) The exploration and evaluation assets were fully impaired during the year ended December 31, 2019; as a result, the change in accounting policy had no impact on the consolidated statements of financial position as of December 31, 2019.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

e) Changes in accounting policies (continued)

Effect on the consolidated statements of loss and comprehensive loss of changes in accounting policy

	For the year ended December 31, 2019		
	As previously presented $	Change $	As restated $
Expenses			
Evaluation and exploration costs	-	652,280	652,280
Other expenses			
Impairment of mineral properties	8,317,570	(916,958)	7,400,612
Total comprehensive loss for the year	**(8,554,790)**	**264,678**	**(8,290,112)**
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share)	(0.19)	0.01	(0.19)
Weighted average number of common shares outstanding - basic and diluted	44,009,760	44,009,760	44,009,760

Effect on the consolidated statements of cash flows of changes in accounting policy

	For the year ended December 31, 2019		
	As previously presented $	Change $	As restated $
OPERATING ACTIVITIES			
Loss for the year	(8,554,790)	264,678	(8,290,112)
Impairment of evaluation and exploration assets	8,317,570	(916,958)	7,400,612
Prepaid expenses	-	25,000	25,000
Accounts payable and accrued liabilities	(14,647)	256,335	241,688
Cash flow used in operating activities	**(137,231)**	**(370,945)**	**(508,176)**
INVESTING ACTIVITIES			
Acquisition costs on exploration and evaluation assets	(454,339)	370,945	(83,394)
Cash flow used in investing activities	**(454,339)**	**370,945**	**(83,394)**

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies

Foreign exchange

- **Translation of foreign transactions and balances into the functional currency**
  Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

- **Translation of the functional currency into the presentation currency**
  The results of foreign operations which have a different functional currency of the Company are translated to Canadian dollars at appropriate average rates of exchange during the year and are included in other comprehensive income (loss). The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in accumulated other comprehensive income (loss) as a foreign currency translation adjustment. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand. As at December 31, 2020 and 2019, the Company did not have any cash equivalents.

Financial instruments

- **Financial assets**

  Classification and measurement
  The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

  Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies (continued)

Financial instruments (continued)

- **Financial assets (continued)**

Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As of December 31, 2020 and 2019, the Company has classified its cash as FVTPL.

Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As of December 31, 2020 and 2019, the Company has no financial assets classified as FVOCI.

Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As of December 31, 2020 and 2019, the Company has classified its amounts receivable as amortized cost.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition of financial assets
Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies (continued)

Financial instruments (continued)

- **Financial liabilities**

Classification and measurement
The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As at December 31, 2020 and 2019, the Company has classified its accounts payable and accrued liabilities, due from related party and notes payable as other financial liabilities

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of loss.

Refer to Note 11 for further disclosures.

Taxation
Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies (continued)

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payments expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

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

Loss per share

Basic loss per share is calculated by dividing the net loss for the year divided by the weighted average number of common shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Exploration and evaluation

- **Exploration and evaluation assets**

  Exploration and evaluation assets include acquired mineral rights for mineral exploration properties held by the Company. The amount of consideration paid (in cash or share value) for mineral rights is capitalized. The amounts shown for exploration and evaluation assets represent costs of acquisition, incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be written off if the evaluation and exploration assets are abandoned or sold. Included in the cost of exploration and evaluation assets is the cost of any estimated decommissioning liability. The Company has classified exploration and evaluation assets as intangible in nature. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of-production method based upon reserves.

  Ownership in exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company’s control. The ultimate recoverability of the amounts capitalized for the evaluation and exploration assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management’s estimates of recoverability of the Company’s investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management’s estimates and may result in future write downs of exploration and evaluation assets carrying values.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies (continued)

Exploration and evaluation (continued)

- **Exploration and evaluation costs**
  Exploration and evaluation costs, other than those described above, are expensed as incurred until such time as mineral reserves are proven or probable, permits to operate the mineral resource property are received and financing to complete development has been obtained. Following confirmation of mineral reserves, receipt of permits to commence mining operations and obtaining necessary financing, exploration and evaluation costs are capitalized as deferred development expenditures included within equipment.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's ("CGU") fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For exploration and evaluation assets, indicators of impairment include, but are not limited to, expiration of a right to explore, no budgeted or planned material expenditure in an area, or a decision to discontinue exploration in a specific area.

Impairment losses of continuing operations are recognized in net loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

f) Significant accounting policies (continued)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

For the years presented the Company has no provisions for environmental rehabilitation.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

	ChurchKey Property $	Toro Property $	Neil/Ram Creek Property $	Ribbon Property $	Santa María Property $	Total $
Balance as at December 31, 2018 (note 2(e))	**-**	**3,201,667**	**2,563,884**	**1,551,667**	**-**	**7,317,218**
Acquisition costs						
- cash	83,394	-	-	-	-	**83,394**
Impairment (note 2(e))	(83,394)	(3,201,667)	(2,563,884)	(1,551,667)	-	**(7,400,612)**
Balance as at December 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Acquisition costs						
- cash	150,000	-	-	-	641,522	**791,522**
- shares	-	-	-	-	70,000	**70,000**
Impairment	(150,000)	-	-	-	-	**(150,000)**
Effect of movements in exchange rate	-	-	-	-	4,571	**4,571**
Balance as at December 31, 2020	**-**	**-**	**-**	**-**	**716,093**	**716,093**

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company is engaged in the business of exploration and development of mineral projects. The Company's primary mineral project is the Santa María Project (the "Santa María Project") located in Parral, Chichuahua, Mexico. The Company also has the rights to acquire and explore the "Muskwa Project" (currently comprised of the Neil Property, the Toro Property and the Bronson Property (note 13)) located in the Liard Mining Division in northern British Columbia.

Muskwa Project

The Company has, subsequent to December 31, 2020, renamed and re-categorized its holdings in norther British Columbia to better identify them. Please see note 13 for an explanation of the same. The following section refers to the categorization of such holdings as at December 31, 2020.

Neil/Ram Creek Property

On January 23, 2017, the Company entered into an assignment agreement (the "Neil/Ram Creek Assignment Agreement") with an arm's length company (the "Assignor") to acquire all of the Assignor's right title and interest in an option agreement (the "Neil/Ram Creek Option Agreement") with a third-party company (the "Optionor"). Under the Neil/Ram Creek Option Agreement, the Company has an option to acquire an undivided 100% interest in three mineral claims located within the Omineca mining division, British Columbia, Canada (the "Neil/Ram Creek Property"). Pursuant to the Neil/Ram Creek Assignment Agreement, the Company acquired a 50% interest in the three mineral claims and issued 9,349,595 common shares of the Company valued at $2,500,000 to the Assignor during the year ended September 30, 2017.

The Neil/Ram Creek Option Agreement, dated August 17, 2016, requires the Company to pay $5,000,000 to acquire the remaining 50% interest by August 17, 2021 (the "2021 Neil/Ram Creek Payment") (See Note 13 "Subsequent Events for further discussions). Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $50,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of NSR.

Neil/Ram Creek Property (continued)

In respect of the advance royalty payment of $50,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of $50,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "$150,000 Neil/Ram Creek Property Outstanding Payment") in consideration of an additional payment of combined $50,000 to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties (the "Additional Payment") on the date that the Company completes a financing for not less than $2,500,000 (See Note 13 "Subsequent Events for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company recorded an impairment loss $2,563,884.

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

ChurchKey Property

On August 6, 2019 the Company, through its wholly owned subsidiary, Fabled Copper and Gold Corp. ("Fabled"), completed the acquisition of the ChurchKey Property. Pursuant to the option agreement, the Company is required to make the following payments to ChurchKey Mines Inc. ("ChurchKey") in order to exercise its option to acquire the ChurchKey Property:

- $50,000 (paid) in cash on August 6, 2019;
- $50,000 in cash on or before November 4, 2019 (paid) (1);
- $100,000 in cash on or before August 6, 2020 (paid) (1);
- $250,000 in cash on or before August 6, 2021;
- $300,000 in cash on or before August 6, 2022;
- $500,000 in cash on or before August 6, 2023; and
- $750,000 in cash on or before August 6, 2024.

(1) (collectively the "2nd and 3rd Payments").

The Company has granted the Vendor a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for $425,000 if it makes an annual payment of $25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement.

On June 15, 2020, Fabled entered into an extension agreement with ChurchKey (the "1st Extension Agreement") to extend the payment date of the 2nd and 3rd Payments to October 31, 2020. In consideration of such extensions an additional payment of $50,000 (the "1st Extension Cost") will be made to ChurchKey on the date that the Company completes its next financing.

On October 21, 2020, Fabled entered into a second extension agreement with ChurchKey (the "2nd Extension Agreement") to extend the payment due date agreed pursuant to the 1st Extension Agreement as follows:

- The 1st Extension Cost to be paid at the date of signing the 2nd Extension Agreement (paid); and
- The 2nd and 3rd Payments to be paid upon completion of the Acquisition (paid).

In consideration of such extensions an additional payment of $50,000 (the "2nd Extension Cost") (paid) will be made to ChurchKey on or before January 1, 2021.

The 1st Extension Cost and the 2nd Extension was recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

ChurchKey Property (continued)

The 2nd and 3rd Payments were capitalized as exploration and evaluation costs and subsequently written off to the statement of loss and comprehensive loss due to management's decision not to conduct any significant work in the near future.

During the year ended December 31, 2020, the Company recorded an impairment loss of $150,000 (December 31, 2019 – $83,394).

Ribbon Property

On March 4, 2017, the Company entered into an assignment agreement (the "Ribbon Assignment Agreement") with various arm's length individuals and companies (collectively the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Ribbon Option Agreement") with a third-party company (the "Optionor"). Under the Ribbon Option Agreement, the Company acquired an undivided 100% interest in two mineral claims located within the Omineca mining division, British Columbia, Canada (the "Ribbon Property"). Pursuant to the Ribbon Assignment Agreement, the Company issued 5,048,781 common shares of the Company valued at $1,350,000 to the Assignors during the year ended September 30, 2017.

The Ribbon Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 (paid) to acquire 100% interest in the Ribbon Property, such payment having been made during the year ended December 31, 2018. Commencing on March 3, 2018, the Company is required to pay an annual non-refundable annual advance royalty payment of $100,000 to the Optionor on March 31, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000.

Subsequently, the Company and the Optionor further extended the due date for the payment of such advance royalty payment and additional advance royalty payments of $100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "$300,000 Ribbon Property Outstanding Payment") in consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties (the "Additional Payment") on the date that the Company completes a financing for not less than $2,500,000 (See Note 13 "Subsequent Events for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss $1,551,667.

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

Toro Property

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third-party company (the "Optionor"). Under the Toro Option Agreement, the Company has an option to acquire an undivided 100% interest in nine mineral claims located within the Omineca mining division, British Columbia, Canada (the "Toro Property"). Pursuant to the Toro Assignment Agreement, the Company issued 11,219,515 common shares of the Company valued at $3,000,000 to the Assignors during the year ended September 30, 2017.

The Toro Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 (paid) to acquire an undivided 50% interest in the Toro Property (the "First Option"), such payment having been made in the year ended December 31, 2018. To acquire the remaining 50% interest (the "Second Option"), the Company shall pay $5,000,000 by March 3, 2022 (the 2022 Toro Payment") (See Note 13 "Subsequent Events for further discussions). Commencing on March 3, 2018, the Company was required to pay a non-refundable annual advance royalty payment of $100,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of Net Smelter Return ("NSR").

With respect to the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment of such advance royalty payment and additional advance royalty payments of $100,000 due on March 3, 2020 and to become due on March 3, 2021 to March 31, 2021 (collectively the "$300,000 Toro Property Outstanding Payment") in consideration of the Additional Payment to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Company completes a financing for not less than $2,500,000 (See Note 13 "Subsequent Events for further discussions). The Additional Payment was made during the year ended December 31, 2020 and recognized as finance costs in the statement of loss and comprehensive loss.

During the year ended December 31, 2019, the Company has recorded an impairment loss $3,201,667.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Santa María Property

On December 4, 2020, the Company completed the Acquisition with Golden Minerals. Pursuant to the option agreement, the Company will acquire a 100% interest in Santa María Property by making the following payments to Golden Minerals:

- At the closing date of the Acquisition: US$500,000 cash (paid) and 1,000,000 common shares (issued with a fair value of $70,000)
- 12 months after the date of Acquisition: US$1,500,000
- 24 months after the date of Acquisition: US$2,000,000

In addition, the Company is also required to make the following option payments to the optionors of in Santa María Property:

- At the closing date of the Acquisition: US$100,000 (Paid subsequent to December 31, 2020)
- On February 4, 2021 US$120,000 (Paid subsequent to December 31, 2020)
- On August 4, 2021 US$120,000
- On February 4, 2021 US$140,000

The Company will grant Golden Minerals a 1% net smelter royalty with respect to the Santa María Property upon exercise of the option under the option agreement and will assume from Golden Minerals the obligations in respect of an existing 2% net smelter royalty that exists over 3 of the 5 mineral claims that comprise the Santa María Property.

During the year ended December 31, 2020, the Company incurred pre-exploration expenditures of $231,784 on the Santa María Property.

Exploration and evaluation costs

During the year ended December 31, 2020 and 2019, the Company incurred the following exploration and evaluation costs:

	ChurchKey Property $	Toro Property $	Neil/Ram Creek Property $	Ribbon Property $	Santa María Property $	Total $
During the year ended December 31, 2019 (note 2(e))						
Geological	159,400	181,530	161,462	149,888	-	**652,280**
	159,400	**181,530**	**161,462**	**149,888**	**-**	**652,280**
During the year ended December 31, 2020						
Drilling	-	-	-	-	21,741	**21,741**
Equipment rental	-	-	-	-	5,582	**5,582**
Field	-	-	-	-	77,472	**77,472**
Geological	-	-	-	-	14,429	**14,429**
	-	**-**	**-**	**-**	**119,224**	**119,224**

(Expressed in Canadian Dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	December 31, 2020	December 31, 2019	January 1, 2019
	$	$	$
Trade payables	96,505	291,387	49,699
Accrued liabilities	89,869	-	-
	186,374	**291,387**	**49,699**

5. NOTE PAYABLE

As at December 31, 2020, the Company owed $5,000 to a director of the Company (December 31, 2019 – $10,000; January 1, 2019 – $10,000). The loan is interest free and unsecured with no fixed terms of repayment.

During the year ended December 31, 2020, the Company repaid $5,000 of the note payable.

6. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At December 31, 2020, the Company had 140,051,903 (December 31, 2019 – 44,009,760) common shares issued and outstanding with a value of $13,750,054 (December 31, 2019 – $10,132,311).

During the year ended December 31, 2020

- **Financing**
  On August 14, 2020, the Company completed the Financing (Note 1). Mackie Research Capital Corporation (the "Agent") was the sole agent for the Financing. The Financing was made in connection with the Acquisition. The net proceeds of the Financing were initially placed in escrow and released on December 4, 2020 as the Company satisfied the escrow release conditions.

  On December 4, 2020, the Subscription Receipts were converted into 92,000,000 units (the "Unit"). Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at an exercise price of $0.10 at any time prior to December 4, 2022. The 92,000,000 common shares issued in exchange for the Subscription Receipts and 92,000,000 warrants issued in respect of any exercise of warrants are subject to a four-month statutory hold period expiring December 15, 2020.

  In connection with the Financing, the Company paid $656,118, issued 2,800,000 common shares with a fair value of $168,000 to the Agent and 7,280,000 nontransferable broker warrants (the "Broker Warrants") with a fair value of $413,089 to the Agent as share issue costs.

  Each Broker Warrant entitles the Agent to purchase one Unit at any time prior to December 4, 2022 with an exercise price of $0.05 per Unit. The Company estimated the fair value of Broker Warrants ($413,089) using the Black-Scholes options pricing model, assuming a risk-free interest rate of 0.27%, an expected life of 24 months, an expected volatility of 171% and an expected dividend yield of 0%.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Issued share capital

- **Others**
  - On November 12, 2020, the Company issued 242,143 common shares with a fair value of $16,950 to Agora Internet Relations Corp. ("AGORA") in exchange for online advertising, marketing and branding services (note 8).

  - On December 4, 2020, the Company issued 1,000,000 common shares with a fair value of $70,000 in connection of the Acquisition with Golden Minerals.

No shares were issued during the year ended December 31, 2019.

Warrants

The changes in warrants during December 31, 2020 and 2019, are as follows:

	December 31, 2020		December 31, 2019	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, beginning of year	-	-	-	-
Issued	99,280,000	0.10	-	-
Balance, end of year	**99,280,000**	**0.10**	**-**	**-**

The following summarizes information about warrants outstanding as of December 31, 2020:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
December 4, 2022 (1)	0.05	7,280,000	413,089	1.93
December 4, 2022	0.10	92,000,000	-	1.93
		99,280,000	**413,089**	**1.93**

(1) Each warrant consists of one common share and one common share purchase warrant which entitles its holder to purchase one additional common share at an exercise price of $0.10 at any time prior to December 4, 2022.

Stock options

The Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. Options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Options to purchase common shares have been granted to directors, employees, consultants and advisors at exercise prices determined by reference to the market value of the Company's common shares on the date of the grant.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The changes in stock options during the years ended December 31, 2020 and 2019 are as follows:

	December 31, 2020		December 31, 2019	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, beginning of year	**3,391,055**	**0.13**	3,391,055	0.13
Granted	3,850,000	0.08	-	-
Cancelled	(961,002)	0.13	-	-
Forfeited	(926,324)	0.13	-	-
Balance, end of year	**5,353,729**	**0.10**	**3,391,055**	**0.13**

During the year ended December 31, 2020

- On December 7, 2020, the Company entered into an agreement with the Company's former president to cancel and forfeit certain portion of the options previously granted as follows:

Grant date	Expiry date	Number of options granted	Number of options cancelled and forfeited		Remaining options
November 21, 2018	November 21, 2028	1,101,994	801,994	(1)	300,000
November 21, 2018	November 21, 2028	1,101,994	801,994	(2)	300,000
		2,203,988	**1,603,988**		

(1) 367,330 were unvested options.
(2) 367,330 were unvested options.

- On December 18, 2020, the Company granted 3,850,000 options with an exercise price of $0.08 to certain officers, directors and consultants. The options are exercisable for a period of ten years. One-fourth vest on the date of grant and one-fourth will vest every six-months thereafter.

The estimated grant date fair value of the options granted during the years ended December 31, 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	3,850,000
Risk-free interest rate	0.38%
Expected annual volatility	109%
Expected life (in years)	10.00
Expected dividend yield	0%
Grant date fair value per option ($)	0.07
Share price at grant date ($)	0.08

During the year ended December 31, 2020 and 2019, the Company recognized share-based payments expense of $72,384 and $120,445, respectively.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at December 31, 2020:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
June 12, 2025	0.30	187,067	187,067	-	4.45
November 21, 2028	0.10	658,331	558,339	41,891	7.90
November 21, 2028	0.15	658,331	558,339	41,007	7.90
December 18, 2030	0.08	3,850,000	962,500	263,945	9.97
		5,353,729	**2,266,245**	**346,843**	**9.27**
Weighted average exercise price ($)		**0.10**	**0.13**		

7. RELATED PARTY TRANSACTIONS AND BALANCES

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. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence. Key management personnel receive remuneration from the Company summarized as follow:

- During the year ended December 31, 2020, the Company incurred $120,000 (December 31, 2019 – $nil) in management fees related to the Company's Chief Executive Officer.

- During the year ended December 31, 2020, the Company incurred $28,500 (December 31, 2019 – $nil) in professional fees from an accounting firm owned whose incorporated partner is the Chief Financial Officer of the Company (December 31, 2019 – $nil).

- During the year ended December 31, 2020, the Company incurred $27,120 (December 31, 2019 – $29,122) in professional legal fees and $104,432 in share issuance costs (December 31, 2019 – $nil) from a private company owned by a director of the Company.

- During the year ended December 31, 2020, the Company recognized $48,362 (December 31, 2019 – $101,645) in share-based payments related to options granted to the Company's officers and directors.

On July 29, 2020, the Company issued four non-interesting bearing promissory notes (the "Promissory Notes"), which are payable on demand, with a total amount of $46,500. The Promissory Notes were fully repaid on August 19, 2020.

The balances due to the Company's directors and officer were $77,253 as at December 31, 2020 (December 31, 2019 – $29,722), which were paid subsequent to December 31, 2020.

See Note 5 for further related party disclosure.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

8. COMMITMENTS

Mars Investor Relations Corp. ("MARS")

On September 1, 2020, the Company entered into an investor relations agreement (the "IR Agreement") with MARS. The IR Agreement has an initial term of 6 months; but will be subject to termination on a month-to-month basis. Pursuant to IR Agreement, the Company has to pay $72,000 plus applicable taxes (paid) upon the Financing being released from escrow and issue 200,000 stock options (issued subsequent to December 31, 2020 (note 13)) to MARS. The IR Agreement expired and was not renewed on March 1, 2021. MARS remains as a consultant to the Company.

Agora Internet Relations Corp. ("AGORA")

On October 2, 2020, the Company entered into a service agreement (the "Service Agreement") with AGORA for online advertising, marketing and branding services. Pursuant to the terms of the Service Agreement, the Company will pay AGORA a total fee of $75,000 plus applicable taxes, to be paid by way of common shares of the Company as follows:

- $15,000 plus tax on October 1, 2020 (issued (note 6))
- $15,000 plus tax on January 1, 2021;
- $15,000 plus tax on April 1, 2021;
- $15,000 plus tax on July 1, 2021; and
- $15,000 plus tax on September 30, 2021.

9. SEGMENTED INFORMATION

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties.

During the years ended December 31, 2020 and 2019, no revenue was generated from the reportable segment.

The Company's non-current assets are as follow:

	Canada $	Mexico $	Total $
As at December 31, 2020			
Non-current assets			
Exploration and evaluation assets	-	716,093	716,093
As at December 31, 2019			
Non-current assets			
Exploration and evaluation assets	-	-	-

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital, being its share capital, are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

There were no changes to the Company policy for capital management during the year ended December 31, 2020 and 2019.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in shareholders' equity. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

The Company anticipates continuing to access equity markets to fund the acquisition and exploration of exploration and evaluation assets and to ensure the future growth of the business.

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

11. FINANCIAL INSTRUMENTS

Fair value
The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, due to related party and note payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

As at December 31, 2020 and 2019, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

Set out below are the Company's financial assets and financial liabilities by category:

	December 31, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	1,797,493	1,797,493	-	-
Amounts receivable	169,444	-	169,444	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	186,374	-	186,374	-
Due to related party	77,253	-	77,253	-
Note payable	5,000	-	5,000	-

	December 31, 2019 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	121,325	121,325	-	-
Amounts receivable	37,237	-	37,237	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	291,387	-	291,387	-
Due to related party	29,722	-	29,722	-
Note payable	10,000	-	10,000	-

Financial risk management

Credit risk
Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to trade and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow in the upcoming year will be through equity financings.

At December 31, 2020, the Company had accounts payable and accrued liabilities, due to related party and note payable of $186,374, $77,253 and $5,000, respectively. All of these amounts are current.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk relating to its note payable, loan payable and due to related party balances.

- Currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

  The Company's cash, amounts receivable, accounts payable and accrued liabilities, due to related party note payable are held in Canadian Dollars ("CAD"), US Dollars ("USD") and Mexican Pesos ("MXN"); therefore, USD and MXN accounts are subject to fluctuation against the Canadian dollar.

  The Company had the following balances in foreign currency as at December 31, 2020:

	CA$	**US$**	**MXN**
Cash	1,638,099	122,453	52,743
Amounts receivable	51,296	-	1,844,914
Accounts payable and accrued liabilities	(158,993)	-	(427,545)
Due to related party	(77,253)	-	-
Note payable	(5,000)	-	-
	1,448,149	**122,453**	**1,470,112**
Rate to convert to $1.00 CAD	1.00	1.27	0.06
Equivalent to CAD	**1,448,149**	**156,016**	**94,146**

  Based on the above net exposures as at December 31, 2020, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and MXN would increase/decrease comprehensive loss by $25,000.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

- Other price risk
  The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in the individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

12. INCOME TAXES

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

	2020 $	2019 $
Loss for the year	**(1,417,839)**	**(8,290,112)**
Expected income tax (recovery)	(383,000)	(2,238,000)
Change in statutory, foreign tax, foreign exchange rates and other	(11,000)	(4,000)
Permanent differences	23,000	33,000
Share issue cost	(223,000)	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(35,000)	-
Change in unrecognized deductible temporary differences	629,000	2,209,000
Total income tax expense (recovery)	-	-

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

	December 31, 2020 $	Expiry Range	December 31, 2019 $	Expiry Range
Temporary Differences				
Exploration and evaluation assets	8,588,000	No expiry date	8,164,000	No expiry date
Share issue costs	659,000	2041 to 2044	-	N/A
Non-capital losses available for future period	1,980,000	2036 to 2040	620,000	2036 to 2039

Tax attributes are subject to review and potential adjustment by tax authorities.

13. SUBSEQUENT EVENTS

- On January 6, 2021, the Company granted 200,000 options with an exercise price of $0.10 to its consultants. The options are exercisable for a period of ten years. One-fourth vest on the date of grant and one-fourth will vest every six-months thereafter.

- On February 5, 2021, the Company granted 350,000 options with an exercise price $0.22 to MARS pursuant to the IR Agreement.

- 46,858,500 warrants were exercised for proceeds of $4,685,850.

- 7,280,000 Broker Warrants were exercised for proceeds of $364,000.

- On April 8, 2021, the Company entered into an amended and restated option agreement (the "Amended Option Agreement") with respect to the Neil/Ram Creek, Ribbon and Toro Properties. Pursuant to the Amended Agreement, the Company also has the right to acquire additional claims covering an additional 3,842 hectares, including 2 claims which are contiguous with and form part of the Neil Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property, in consideration of the payment of the following amounts:

  (i) $200,000 on April 8, 2021 (paid);
  (ii) $500,000 on April 8, 2022;
  (iii) $750,000 on April 8, 2023;
  (iv) $1,000,000 on April 8, 2024; and
  (v) $2,000,000 on April 8, 2025.

  In addition, the Company is no longer required to make the followings payments:

  - the 2021 Neil/Ram Creek Payment;
  - the 2022 Toro Payment;
  - the $150,000 Neil/Ram Creek Property Outstanding Payment;
  - the $300,000 Ribbon Property Outstanding Payment; and
  - the $300,000 Toro Property Outstanding Payment.

  Following the above agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the Neil Property (comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property), the Toro Property and the Bronson Property.