

INFINITE ORE CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 2021 AND 2020

EXPRESSED IN CANADIAN DOLLARS

Registered Head Office
1240 – 789 West Pender Street
Vancouver, BC
V6C 1H2

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Infinite Ore Corp.

Opinion

We have audited the accompanying consolidated financial statements of Infinite Ore Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, 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 January 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 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 consolidated financial statements, which indicates that the Company incurred a net loss of \$1,253,180 during the year ended January 31, 2021 and, as of that date, the Company had a total deficit of \$21,858,173. As stated in Note 1, these events and conditions 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 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 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 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.

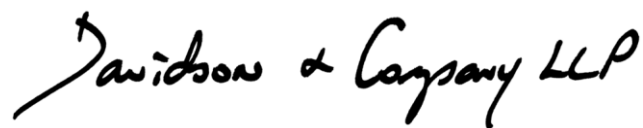
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 consolidated 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 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 Glenn Parchomchuk.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

May 28, 2021

INFINITE ORE CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS
AS AT JANUARY 31,

	2021	2020
ASSETS		
Current		
Cash and cash equivalents	\$ 1,056,901	\$ 830,357
Commodity tax recoverable	29,082	14,496
Prepays	13,951	6,142
Marketable securities (Note 5)	2,906	4,091
	1,102,840	855,086
Exploration advances (Note 6)	-	75,000
Exploration and evaluation assets (Note 6)	5,689,072	4,736,579
	\$ 6,791,912	\$ 5,666,665
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 44,777	\$ 145,731
	44,777	145,731
Shareholders' Equity		
Share capital (Note 8)	24,022,320	22,147,239
Share-based payment reserve (Note 8)	4,582,988	4,203,688
Subscriptions receivable (Note 8)	-	(225,000)
Deficit	(21,858,173)	(20,604,993)
	6,747,135	5,520,934
	\$ 6,791,912	\$ 5,666,665

Nature of Operations and Going Concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

"Michael England", Director

"John Masters", Director

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

INFINITE ORE CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEARS ENDED JANUARY 31,

	2021	2020
OPERATING EXPENSES		
Consulting fees	\$ 324,883	\$ 176,022
Foreign exchange loss (gain)	356	(18,185)
Management fees (Note 10)	87,000	107,100
Office and administration (Note 10)	129,442	88,077
Professional fees	126,703	74,144
Shareholder communication and promotion	46,718	38,795
Share-based compensation (Note 8 and 10)	279,300	198,900
Transfer agent and filing fees	47,052	35,837
Travel and accommodation	948	11,675
	(1,042,402)	(712,365)
Flow-through recovery (Note 8)	78,601	-
Realized loss on marketable securities (Note 5)	-	(11,798)
Unrealized loss on marketable securities (Note 5)	(1,185)	(25,132)
Decommissioning and restoration provision	-	25,000
Write-off of exploration and evaluation assets (Note 6)	(288,194)	(113,613)
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (1,253,180)	\$ (837,908)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	98,240,102	59,589,724

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

INFINITE ORE CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
EXPRESSED IN CANADIAN DOLLARS

	Number of shares	Share capital	Share-based payment reserve	Subscriptions receivable	Deficit	Total shareholders' equity
January 31, 2019	58,250,603	\$ 20,583,474	\$ 3,943,088	\$ -	\$ (19,767,085)	\$ 4,759,477
Private placements	25,211,333	1,412,680	-	-	-	1,412,680
Share issuance costs - cash	-	(56,715)	-	-	-	(56,715)
Share issuance costs - broker's warrants	-	(61,700)	61,700	-	-	-
Shares issued for exploration and evaluation assets	2,900,000	269,500	-	-	-	269,500
Subscriptions receivable	-	-	-	(225,000)	-	(225,000)
Share-based compensation	-	-	198,900	-	-	198,900
Loss for the year	-	-	-	-	(837,908)	(837,908)
January 31, 2020	86,361,936	22,147,239	4,203,688	(225,000)	(20,604,993)	5,520,934
Private placements	37,070,099	1,932,106	-	225,000	-	2,157,106
Share issuance costs - cash	-	(109,924)	-	-	-	(109,924)
Share issuance costs - broker's warrants	-	(100,000)	100,000	-	-	-
Flow-through share premium	-	(78,601)	-	-	-	(78,601)
Shares issued for exploration and evaluation assets	3,150,000	231,500	-	-	-	231,500
Share-based compensation	-	-	279,300	-	-	279,300
Loss for the year	-	-	-	-	(1,253,180)	(1,253,180)
January 31, 2021	126,582,035	\$ 24,022,320	\$ 4,582,988	\$ -	\$ (21,858,173)	\$ 6,747,135

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

INFINITE ORE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEARS ENDED JANUARY 31,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (1,253,180)	\$ (837,908)
Items not affecting cash:		
Share-based compensation	279,300	198,900
Gain on foreign exchange	-	(18,185)
Realized loss on marketable securities	-	11,798
Reversal of flow-through premium	(78,601)	-
Unrealized loss on marketable securities	1,185	25,132
Impairment loss on exploration and evaluation assets	288,194	-
Write-off of exploration and evaluation assets	-	113,613
Change in non-cash working capital items:		
Decrease (increase) in commodity tax recoverable	(14,586)	58,167
Decrease (increase) in prepaid expenses	(7,809)	30,933
Increase (decrease) in accounts payable and accrued liabilities	(100,954)	107,007
Cash flows used in operating activities	(886,451)	(310,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(934,187)	(239,492)
Exploration advances	-	(75,000)
Proceeds from sale of marketable securities	-	37,669
Cash flows used in investing activities	(934,187)	(276,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	2,157,106	1,187,680
Share issuance costs	(109,924)	(56,715)
Cash flows provided by financing activities	2,047,182	1,130,965
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	226,544	543,599
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	830,357	286,758
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 1,056,901	\$ 830,357
SUPPLEMENTAL INFORMATION	2021	2020
Shares issued for interest in exploration and evaluation assets	\$ 231,500	\$ 269,500
Allocate mineral property advances to exploration and evaluation assets	\$ 75,000	\$ -
Allocated advances to exploration and evaluation assets	\$ -	\$ 47,450
Flow-through share premium	\$ 78,601	\$ -
Subscriptions receivable	\$ -	\$ 225,000
Fair value of broker's warrants	\$ 100,000	\$ 61,700

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

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEAR ENDED JANUARY 31, 2021 AND 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Infinite Ore Corp. (the “Company”) is incorporated under the Business Corporations Act of British Columbia.

The Company is a mineral exploration company focused on acquiring and exploring exploration and evaluation assets in North America.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

As at January 31, 2021, the Company had working capital of \$1,058,063, recorded a net loss of \$1,253,180 for the year ended, and had accumulated a total deficit of \$21,858,173. The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. The Company will need to raise additional funds to further its exploration and development programs. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the consolidated financial statements are presented below and are based on IFRS issued and outstanding as of May 28, 2021, the date the Board of Directors approved the consolidated financial statements.

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEAR ENDED JANUARY 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Alix Alaska Inc., a company incorporated under the laws of Alaska, USA, Alix resources de Mexico S.A. de C.V and Exploradora Cobre de Banconoras de R.L.C.V. companies incorporated under the laws of Mexico. At January 31, 2021, the principal activity of the Company's subsidiaries was that of holding companies. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Share-based compensation - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
EXPRESSED IN CANADIAN DOLLARS
FOR THE YEAR ENDED JANUARY 31, 2021 AND 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

Decommissioning restoration provision - The provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

As of January 31, 2021, the Company has no decommissioning and restoration provision.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's subsidiaries is the Canadian dollar.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Earnings (loss) per share ("EPS")

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

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation asset is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as gain on option agreement in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

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

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

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 mining assets 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 mining assets.

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for environmental rehabilitation (continued)

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 mining assets 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 or loss for the year.

Share-based compensation

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

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

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

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.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in statement of loss and comprehensive loss at the same time the qualifying expenditures are made.

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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 period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for 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 loss; 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 consolidated statement of financial position 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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets' classification, as described below:

Fair value through profit or loss ("FVTPL"): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include cash and cash equivalents.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include accounts payable and accrued liabilities.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost. Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities are classified as amortized cost. The Company does not currently have any FVTPL financial liabilities.

INFINITE ORE CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) *Impairment of financial assets*

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

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.

Financial instruments that are measured at fair value using inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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

Cash is carried at a fair value using a level 1 fair value measurement.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended January 31, 2021. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements other than identified in Note 8.

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4. FINANCIAL RISK FACTORS

The carrying value of cash and cash equivalents, marketable securities, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 1,056,901	\$ -	\$ -	\$ 1,056,901
Marketable securities	\$ 2,906	\$ -	\$ -	\$ 2,906

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, and commodity tax recoverable. Cash and cash equivalents are held in large financial institutions. Commodity tax recoverable is due from a government agency.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

Market risk

(a) **Interest rate risk**

The Company is currently in a positive working capital position and some of its accounts payable and accrued liabilities are subject to interest on unpaid balances.

(b) **Foreign currency risk**

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company has limited foreign currency exposure.

(c) **Price risk**

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

5. MARKETABLE SECURITIES

As at January 31, 2021, the Company holds 63,195 (2020 – 63,195) shares of Walker Lane Exploration Inc. (WKLN; OTC US). The market value of the remaining shares at January 31, 2021 was \$2,906 (2020 – \$4,091).

The valuation of the remaining shares at January 31, 2021 resulted in an unrealized loss of \$1,185 (2020 – \$25,132) for the year ended January 31, 2021.

During the year ended January 31, 2021, the Company sold Nil shares (2020 – 106,805) for proceeds of \$Nil (2020 – \$37,669) and recorded a realized loss of \$Nil (2020 – \$11,798).

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6. EXPLORATION AND EVALUATION ASSETS

Year Ended January 31, 2021	Fredart Property	Jackpot Property	Eastern Vision Property	North Buffy Lake Property	Dixie 3 & Ben Lake Properties	Dixie Ten-Mile Properties	Northern Vision Property	LaCorme Property	Garnet Lake Property	Total 31-Jan-21
Acquisition Costs:										
Balance, beginning of year	\$ -	\$ 422,625	\$ 38,000	\$ 61,500	\$ 250,000	\$ 15,000	\$ -	\$ 357,163	\$ -	\$ 1,144,288
Cash	90,000	20,000	19,500	22,000	60,000	45,000	8,650	-	75,000	340,150
Shares	60,000	25,500	22,000	16,500	-	42,500	-	-	65,000	231,500
Balance, end of year	150,000	468,125	79,500	100,000	310,000	102,500	8,650	357,163	140,000	1,715,938
Deferred Exploration Costs:										
Balance, beginning of year	-	3,580,260	-	-	-	-	-	12,031	-	3,592,291
Assays	24,691	-	-	-	-	20,603	-	-	-	45,294
Drilling	270,464	-	-	-	-	-	-	-	-	270,464
Field work	28,062	1,468	-	-	-	-	-	-	-	29,530
Geological consulting	81,935	-	20,750	-	93,208	64,555	-	-	21,250	281,698
Travel	35,142	6,909	-	-	-	-	-	-	-	42,051
Balance, end of year	440,294	3,588,637	20,750	-	93,208	85,158	-	12,031	21,250	4,261,328
Impairment loss	-	-	-	-	-	-	-	(288,194)	-	(288,194)
Total	\$ 590,294	\$ 4,056,762	\$ 100,250	\$ 100,000	\$ 403,208	\$ 187,658	\$ 8,650	\$ 81,000	\$ 161,250	\$ 5,689,072

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Year Ended January 31, 2020	Jackpot Property	Eastern Vision Property	North Buffy Lake Property	Dixie 3 & Ben Lake Property	Dixie Ten-Mile Properties	LaCorne Property	Cross Lake Property	Total 31-Jan-20
Acquisition Costs:								
Balance, beginning of year	\$ 422,625	\$ -	\$ -	\$ -	\$ -	\$ 357,163	\$ 49,089	\$ 828,877
Cash	-	8,000	22,000	50,000	15,000	-	-	95,000
Shares	-	30,000	39,500	200,000	-	-	-	269,500
Balance, end of year	422,625	38,000	61,500	250,000	15,000	357,163	49,089	1,193,377
Deferred Exploration Costs:								
Balance, beginning of year	3,514,603	-	-	-	-	12,031	64,524	3,591,158
Drilling	47,450	-	-	-	-	-	-	47,450
Field work	17,373	-	-	-	-	-	-	17,373
Travel	834	-	-	-	-	-	-	834
Balance, end of year	3,580,260	-	-	-	-	12,031	64,524	3,656,815
Write-off	-	-	-	-	-	-	(113,613)	(113,613)
Total	\$ 4,002,885	\$ 38,000	\$ 61,500	\$ 250,000	\$ 15,000	\$ 369,194	\$ -	\$ 4,736,579

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Fredart Property, Ontario, Canada

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire an 80% interest in the Fredart property located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$30,000 on or before the date that is 5 business days after TSX-V Exchange approval date (paid);
- ii) cash payment of \$50,000 on or before the date that is 6 months after the TSX-V Exchange approval date (paid); and
- iii) cash payment of \$70,000 on or before the date that is 12 months after the TSX-V Exchange approval date (\$10,000 paid).

Share issuance

- i) issuance of 750,000 shares on or before the date that is 5 business days after the TSX-V Exchange approval date (issued and valued at \$60,000);
- ii) issuance of 750,000 shares on or before the date that is 12 months after the TSX-V Exchange approval date; and
- iii) issuance of 1,000,000 shares on or before the date that is 24 months after the TSX-V Exchange approval date.

Exploration expenditures

- i) incur exploration expenditures of \$300,000 on or before the date that is 12 months after TSX-V Exchange approval date (incurred);
- ii) incur exploration expenditures of \$300,000 on or before the date that is 24 months after the TSX-V Exchange approval date; and
- iii) incur exploration expenditures of \$400,000 on or before the date that is 36 months after the TSX-V Exchange approval date.

The vendor retains a 1.0% to 1.5% Net Smelter Return (“NSR”) royalty.

Jackpot Property, Ontario, Canada

During the year ended January 31, 2017, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Jackpot Property in Thunder Bay, Ontario for the following consideration:

- i) issuance of 300,000 shares (issued at a value of \$156,000); and
- ii) issuance of 375,000 shares by March 28, 2017 (issued at a value of \$75,000).

In addition, a 1.5% NSR royalty will be granted to the vendors. The Company has the option to purchase back 1% of the NSR royalty for \$1,000,000.

During the year ended January 31, 2019, the Company paid \$41,625 cash and issued 600,000 shares valued at \$150,000 as consideration for acquisition of additional claims surrounding its 100% owned Jackpot Property.

During the year ended January 31, 2021, the Company paid \$10,000 cash and issued 300,000 shares valued at \$25,500 to acquire nine additional claims on the Jackpot Property (Note 12). The vendor retains a royalty of 1.0% on revenue generated from non-smelter elements from the additional claims and a 1.0% NSR. The Company has the option to purchase back 1% of the NSR royalty for \$500,000.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Jackpot Property, Ontario, Canada

During the year ended January 31, 2021, the Company paid \$10,000 cash and subsequently issued 300,000 shares to acquire four additional claims on the Jackpot Property. The vendor retains a royalty of 1.0% on revenue generated from non-smelter elements from the additional claims and a 1.0% NSR. The Company has the option to purchase back 1% of the NSR royalty for \$500,000.

Eastern Vision Property, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the Eastern Vision Property located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$8,000 on or before December 10, 2019 (paid);
- ii) cash payment of \$12,000 on or before December 10, 2020 (paid);
- iii) cash payment of \$16,000 on or before December 10, 2021; and
- iv) cash payment of \$36,000 on or before December 10, 2022.

Share issuance

- i) issuance of 400,000 shares on or before December 9, 2019 (issued and valued at \$30,000);
- ii) issuance of 200,000 shares on or before December 9, 2020 (issued and valued at \$11,000); and
- iii) issuance of 200,000 shares on or before December 9, 2021.

The vendor retains a 1.5% NSR royalty, 50% of which is purchasable by the Company for \$1,000,000 at any time.

During the year ended January 31, 2021, the Company acquired a 100% interest of an additional seven mineral claims (Gerry Claims) in the Eastern Vision Property for the following considerations:

Cash payments

- i) cash payment of \$7,500 on or before the date that is 5 business days after the TSX-V Exchange approval date (paid).

Share issuance

- i) issuance of 100,000 shares (issued and valued at \$11,000) on or before the date that is 5 business days after TSX-V Exchange approval date.

The vendor retains a 1.5% NSR royalty, of which 100% is purchasable by the Company for \$1,500,000 at any time.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

North Buffy Lake Property, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the North Buffy Lake Property located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$22,000 on or before December 10, 2019 (paid);
- ii) cash payment of \$22,000 on or before December 10, 2020 (paid);
- iii) cash payment of \$33,000 on or before December 10, 2021; and
- iv) cash payment of \$44,000 shares on or before December 10, 2022.

Share issuance

- i) issuance of 500,000 shares on or before December 10, 2019 (issued and valued at \$39,500); and
- ii) issuance of 300,000 shares on or before December 10, 2020 (issued and valued at \$16,500).

The vendor retains a 1.5% NSR royalty, 50% of which is purchasable by the Company for \$1,000,000 at any time.

Dixie 3 and Ben Lake Properties, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the claims comprising the Dixie 3 and Ben Lake properties located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$10,000 on or before January 2, 2020 (paid);
- ii) cash payment of \$40,000 on or before the earlier of the next private placement of at least \$250,000 or March 31, 2020 (paid); and
- iii) cash payment of \$50,000 on or before July 2, 2020 (paid).

Share issuance

- i) issuance of 2,000,000 shares on or before January 2, 2020 (issued and valued at \$200,000).

The vendor retains a 0.5% NSR royalty on Dixie 3, of which is purchasable by the Company for \$400,000 at any time.

The vendor retains a 1.5% NSR royalty on Ben Lake, of which 50% is purchasable by the Company for \$400,000 at any time.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Dixie Ten-Mile Properties, Ontario, Canada

During the year ended January 31, 2020, the Company entered into an option agreement with an arms-length vendor to acquire a 90% interest in the Dixie Ten-Mile properties located in the Red Lake District, Ontario.

To acquire the first 75% interest, the Company is required to make the following consideration:

Cash payments

- i) cash payment of \$15,000 on or before January 29, 2020 (paid);
- ii) cash payment of \$15,000 on or before July 29, 2020 (paid); and
- iii) cash payment of \$30,000 shares on or before January 29, 2021 (paid).

Share issuance

- i) issuance of 500,000 shares on or before January 29, 2020 (issued and valued at \$42,500); and
- ii) issuance of 500,000 shares on or before January 29, 2021 (issued subsequently).

Exploration expenditures

- i) incur exploration expenditures of \$250,000 on or before January 29, 2021; and
- ii) incur exploration expenditures of \$300,000 on or before January 29, 2022.

The Company has the option to acquire the remaining 15% interest by making the following additional consideration:

- i) cash payment of \$30,000; and
- ii) issuance of 500,000 shares on or before January 29, 2022.

The vendor retains a 1.0% NSR royalty, of which 50% is purchasable by the Company for \$400,000 at any time.

Northern Vision Property, Ontario

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire a 100% interest in the Northern Vision property located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$8,650 on or before the date that is 5 business days after the TSX-V Exchange approval date (paid);
- ii) cash payment of \$12,000 on or before the date that is 12 months after the TSX-V Exchange approval date;
- iii) cash payment of \$15,000 on or before the date that is 24 months after the TSX-V Exchange approval date; and
- iv) cash payment of \$30,000 on or before the date that is 36 months after the TSX-V Exchange approval date.

Share issuance

- i) issuance of 250,000 shares on or before the date that is 5 business days after TSX-V Exchange approval date; and
- ii) issuance of 250,000 shares on or before the date that is 12 months after TSX-V Exchange approval date.

The vendor retains a 1.5% NSR royalty, of which 50% is purchasable by the Company for \$500,000 at any time.

The transaction is subject to TSX Venture Approval.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Garnet Lake Property, Ontario

During the year ended January 31, 2021, the Company entered into an option agreement with an arms-length vendor to acquire an 80% interest in the Garnet Lake property located in the Red Lake District, Ontario for the following consideration:

Cash payments

- i) cash payment of \$75,000 on or before the date that is 5 business days after TSX-V Exchange approval date (paid);
- ii) cash payment of \$75,000 on or before the date that is 6 months after the TSX-V Exchange approval date; and
- iii) cash payment of \$150,000 on or before the date that is 12 months after the TSX-V Exchange approval date.

Share issuance

- i) issuance of 1,000,000 shares (issued and valued at \$65,000) on or before the date that is 5 business days after the TSX-V Exchange approval date;
- ii) issuance of 1,000,000 shares on or before the date that is 12 months after the TSX-V Exchange approval date; and
- iii) issuance of 2,000,000 shares on or before the date that is 24 months after the TSX-V Exchange approval date.

Exploration expenditures

- i) incur exploration expenditures of \$400,000 on or before the date that is 12 months after TSX-V Exchange approval date;
- ii) incur exploration expenditures of \$400,000 on or before the date that is 24 months after the TSX-V Exchange approval date; and
- iii) incur exploration expenditures of \$700,000 on or before the date that is 36 months after the TSX-V Exchange approval date.

The vendor retains a 2.0% NSR royalty.

The transaction is subject to TSX Venture Approval.

Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec, Canada

In June 2016, the Company entered into an option agreement to acquire a portfolio of lithium properties in the Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec for the following consideration:

- i) cash payment of \$10,000 (paid); and
- ii) issuance of 1,250,000 shares (issued).

An aggregate of 109,615 shares were issued as finders' fees with a total fair value of \$41,683. In addition, a 1.0% NSR was granted to the vendors. The Company has the option to purchase back 0.5% of the NSR royalty for \$500,000.

During the year ended January 31, 2018, the Company entered into an option agreement with Jourdan Resources Inc. ("Jourdan") whereby Jourdan has the right to acquire up to a 75% interest in the LaCorne Property for the following consideration:

- i) cash payment of \$50,000 on or before May 15, 2017 (received);
- ii) issuance of 600,000 Jourdan shares on or before May 15, 2017 (received at a value of \$96,000);
- iii) cash payment of \$75,000 on or before May 16, 2019; and
- iv) issuance of 600,000 Jourdan shares on or before May 16, 2019.

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6. EXPLORATION AND EVALUATION ASSETS (continued)

Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec, Canada (continued)

During the year ended January 31, 2020, Jourdan has lapsed on the payments and the agreement is considered to be in default.

During the year ended January 31, 2021, the Company amended the option agreement whereby Jourdan has the right to acquire a 100% interest in the LaCorne Property in consideration of 8,100,000 common shares of Jourdan. As of January 31, 2021, the Company valued the consideration shares to be \$81,000, which resulted in an impairment loss on the property of \$288,194.

Cross Lake Lithium Property, Manitoba

During the year ended January 31, 2017, the Company acquired the Cross Lake Lithium property located north of Winnipeg, Manitoba. As consideration, the Company issued 125,000 shares (valued at \$32,500) and paid \$10,000 in cash.

During the year ended January 31, 2020, the Company decided not to proceed with the acquisition of the property and wrote off exploration and evaluation assets of \$113,613.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2021	January 31, 2020
Trade accounts payable	\$ 17,027	\$ 117,981
Accrued liabilities	27,750	27,750
	\$ 44,777	\$ 145,731

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value

a) Share capital

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

- i) issued 500,000 shares with a value of \$42,500 pursuant to the acquisition of the Dixie Ten-Mile Properties (Note 6).
- ii) issued 750,000 shares with a value of \$60,000 pursuant to the acquisition of the Fredart Property (Note 6).
- iii) closed a non-brokered private placement of 29,210,000 units at a price of \$0.05 per unit for gross proceeds of \$1,460,500. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of \$0.10 per share until October 16, 2022. In connection with the financing, no value was allocated to the warrant component of the unit offering completed.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

a) Share capital (continued)

The Company also closed a non-brokered private placement of 7,860,099 flow-through units at a price of \$0.06 for total gross proceeds of \$471,606. Each unit consists of one flow-through common share and one half of one non-flow-through share purchase warrant of the Company. Each whole warrant will entitle the holder to acquire one share of the Company at a price of \$0.10 per share until October 16, 2022. The Company recorded a flow-through premium liability of \$78,601. In connection with the financing, no value was allocated to the warrant component of the unit offering completed

In connection to these financings, the Company paid a cash commission of \$99,780, granted 1,872,269 broker warrants (valued at \$100,000) exercisable at a price of \$0.05 until October 16, 2022, and other issuance costs of \$10,144.

- iv) issued 200,000 shares with a value of \$11,000 pursuant to the acquisition of the Eastern Vision property (Note 6).
- v) issued 300,000 shares with a value of \$16,500 pursuant to the acquisition of the North Buffy Property (Note 6).
- vi) issued 1,000,000 shares with a value of \$65,000 pursuant to the acquisition of the Garnet Lake Property (Note 6).
- vii) issued 100,000 shares with a value of \$11,000 pursuant to the expansion of the Eastern Vision Property (Note 6).
- viii) issued 300,000 shares with a value of \$25,500 pursuant to the expansion of the Jackpot Property (Note 6).

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

- i) issued 400,000 shares with a value of \$30,000 pursuant to the acquisition of the Eastern Vision Property (Note 6).
- ii) issued 500,000 shares with a value of \$39,500 pursuant to the acquisition of the North Buffy Lake Property (Note 6).
- iii) closed the first tranche of a non-brokered private placement of 8,000,000 units at a price of \$0.05 per unit for gross proceeds of \$400,000. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each whole warrant will entitle the holder to acquire one additional common share of the Company exercisable at a price of \$0.10 per share until December 31, 2021.
- iv) closed the second tranche of a non-brokered private placement of 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each whole warrant will entitle the holder to acquire one additional common share of the Company exercisable at a price of \$0.10 per share until January 14, 2022. The Company paid a cash commission of \$20,620, and issued 412,400 broker warrants (valued at \$21,000) exercisable at a price of \$0.10 until January 14, 2022. In connection with the financing, no value was allocated to the warrant component of the unit offering completed. The Company paid other share issuance costs of \$2,514.
- v) issued 2,000,000 shares with a value of \$200,000 pursuant to the acquisition of the Dixie 3 and Ben Lake Properties (Note 6).

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants

- vi) closed a non-brokered private placement of 15,211,333 units at a price of \$0.06 per unit for gross proceeds of \$912,680, of which \$225,000 was received subsequent to January 31, 2020. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each whole warrant will entitle the holder to acquire one additional common share of the Company exercisable at a price of \$0.10 per share until January 24, 2022. The Company paid a cash commission of \$33,581, and issued 597,680 broker warrants (valued at \$40,700) exercisable at a price of \$0.10 until January 24, 2021. In connection with the financing, no value was allocated to the warrant component of the unit offering completed.

Stock options

The Company has a stock option plan (the “Plan”) under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting provisions are set at the discretion of the Company's Board of Directors except where dictated by legislation.

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

- i) granted 300,000 stock options to an officer of the Company, exercisable at a price of \$0.08 per share, expiring on June 8, 2022. The estimated fair value of these options was \$17,000 or \$0.057 per option.
- ii) granted 500,000 stock options to a director of the Company, exercisable at a price of \$0.10 per share, expiring on July 3, 2022. The estimated fair value of these options was \$35,600 or \$0.071 per option.
- iii) granted 4,900,000 stock options to directors and consultants of the Company, exercisable at a price of \$0.06 per share, expiring on December 8, 2022. The estimated fair value of these options was \$207,500 or \$0.042 per option.
- iv) granted 400,000 stock options to consultants of the Company, exercisable at a price of \$0.06 per share, expiring on December 23, 2021. The estimated fair value of these options was \$12,900 or \$0.032 per option.
- v) granted 150,000 stock options to consultant of the Company, exercisable at a price of \$0.06 per share, expiring on January 7, 2023. The estimated fair value of these options was \$6,300 or \$0.042 per option.

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

- i) granted 1,000,000 stock options to officers and directors of the Company, exercisable at a price of \$0.10 per share, expiring on January 24, 2022. The estimated fair value of these options was \$68,100 or \$0.068 per option.
- ii) granted 2,225,000 stock options to consultants of the Company, exercisable at a price of \$0.08 per share, expiring on January 29, 2022. The estimated fair value of these options was \$130,800 or \$0.059 per option.

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants (continued)

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at January 31, 2019	4,262,500	\$ 0.21
Granted	3,225,000	0.06
Cancelled/Expired	(2,762,500)	0.26
Outstanding as at January 31, 2020	4,725,000	0.08
Granted	6,250,000	0.06
Cancelled/Expired	(1,700,000)	0.13
Outstanding as at January 31, 2021	9,275,000	\$ 0.07

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

Number of Options	Exercise Price	Expiry Date
400,000	\$0.06	23-Dec-21
800,000	\$0.10	24-Jan-22
2,225,000*	\$0.08	29-Jan-22
300,000	\$0.08	08-Jun-22
500,000	\$0.10	03-Jul-22
4,900,000**	\$0.06	08-Dec-22
150,000	\$0.06	07-Jan-23
9,275,000		

*75,000 options exercised subsequently

**300,000 options exercised subsequently

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the years ended January 31:

	2021	2020
Risk-free interest rate	0.27%	1.52%
Expected life of options	1.94 years	2.00 years
Expected annualized volatility	148.20%	139.59%
Expected dividend rate	-	-

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8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants (continued)

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, at January 31, 2019	42,635,000	\$ 0.21
Warrants granted	13,615,747	0.10
Warrants expired	(2,422,500)	0.40
Balance, at January 31, 2020	53,828,247	0.18
Warrants granted	35,012,319	0.10
Warrants expired	(1,212,500)	0.24
Balance, at January 31, 2021	87,628,066	\$ 0.13

As at January 31, 2021, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,000,000*	\$0.10	31-Dec-21
412,400**	\$0.10	31-Dec-21
1,000,000	\$0.10	14-Jan-22
7,605,667***	\$0.10	24-Jan-22
597,680****	\$0.10	24-Jan-22
29,210,000*****	\$0.10	16-Oct-22
3,930,050	\$0.10	16-Oct-22
1,872,269*****	\$0.05	16-Oct-22
34,000,000	\$0.20	22-Dec-22
5,000,000	\$0.20	22-Dec-22
87,628,066		

*600,000 warrants exercised subsequently

**30,600 warrants exercised subsequently

***1,550,000 warrants exercised subsequently

****120,000 warrants exercised subsequently

*****600,000 warrants exercised subsequently

*****862,535 warrants exercised subsequently

The following weighted average assumptions were used for the Black-Scholes valuation of broker's warrants granted during the year ended January 31:

	2021	2020
Risk-free interest rate	0.19%	1.60%
Expected life of warrants	2 years	2 years
Expected annualized volatility	152.01%	138.44%
Expected dividend rate	-	-

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9. SEGMENTED INFORMATION

The Company primarily operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in North America. Refer to Note 6 for geographic information.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

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

- a) paid or accrued management fees of \$87,000 (2020 - \$107,100) to a company owned by a director of the Company for management services provided.
- b) paid or accrued office and administration expenditures, including rent, of \$58,000 (2020 - \$71,400) to a company owned by a director of the Company.
- c) recorded share-based compensation of \$171,171 (2020 - \$68,100) related to options granted to directors of the Company.

As at January 31, 2021 and 2020, there were no amounts due to related parties.

11. INCOME TAXES

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

	2021	2020
Loss for the year	\$ (1,253,180)	\$ (837,908)
Expected income tax (recovery)	\$ (338,000)	\$ (226,000)
Change in statutory, foreign tax, foreign exchange rates and other	31,000	203,000
Permanent differences	75,000	51,000
Impact of flow-through shares	-	-
Share issuance costs	(30,000)	(67,000)
Change in unrecognized deductible temporary differences	262,000	39,000
Total income tax expense (recovery)	\$ -	\$ -

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11. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2021	2020
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	\$ 1,707,000	\$ 1,627,000
Share issue costs	46,000	64,000
Marketable securities	4,000	4,000
Allowable capital losses	16,000	30,000
Non-capital losses available for future periods	3,117,000	2,903,000
	4,890,000	4,628,000
Unrecognized deferred tax assets	(4,890,000)	(4,628,000)
Net deferred tax assets	\$ -	\$ -

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:

	2020	Expiry Date Range	2020	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	\$ 6,337,000	No expiry date	\$ 6,041,000	No expiry date
Investment tax credits	31,000	2021 to 2031	31,000	2032 to 2033
Property and equipment	1,000	No expiry date	-	No expiry date
Share issue costs	171,000	2042 to 2045	237,000	2041 to 2044
Marketable securities	29,000	No expiry date	28,000	No expiry date
Allowable capital losses	61,000	No expiry date	110,000	No expiry date
Non-capital losses available for future periods	11,960,000	2026 to 2041	11,154,000	2026 to 2040

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

12. SUBSEQUENT EVENTS

Subsequent to January 31, 2021, the Company:

- i) issued 3,763,135 common shares pursuant to the exercise of warrants for gross proceeds of \$333,187.
- ii) issued 375,000 common shares pursuant to the exercise of options for gross proceeds of \$24,000.
- iii) issued 300,000 shares pursuant to the expansion of the Jackpot Property (Note 6).
- iv) issued 500,000 shares pursuant to the acquisition of the Dixie Ten-Mile Property (Note 6).