

SEARCHLIGHT RESOURCES INC.

Interim Financial Statements

Nine Months Ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

The accompanying unaudited interim financial statements have been prepared by Management of Searchlight Resources Inc. and have not been reviewed by the Company's auditors

SEARCHLIGHT RESOURCES INC.

Interim statements of financial position
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	March 31, 2021 \$	June 30, 2020 \$
ASSETS		
Current assets		
Cash	1,458,733	883,717
Marketable securities (Note 3)	164,471	274,118
Amounts receivable	76,306	17,044
Prepaid expenses and deposits	62,090	35,110
Total current assets	1,761,600	1,209,989
Non-current assets		
Mineral properties (Note 4)	218,569	233,569
Total assets	1,980,169	1,443,558
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	186,003	50,271
Loans payable (Note 6)	97,500	97,500
Flow-through share premium (Note 13)	11,126	66,472
Total current liabilities	294,629	214,243
Shareholders' equity (deficit)		
Share capital (Note 7)	24,178,101	22,842,383
Contributed surplus	9,346,401	9,058,164
Deficit	(31,838,962)	(30,671,232)
Total shareholders' equity	1,685,540	1,229,315
Total liabilities and shareholders' equity	1,980,169	1,443,558

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on May 26, 2021.

/s/ "John Kerr"

John Kerr, Director

/s/ Alfred Stewart"

Alfred Stewart, Director

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

SEARCHLIGHT RESOURCES INC.

Interim statements of operations

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Three months ended March 31, 2021 \$	Three months ended March 31, 2020 \$	Nine months ended March 31, 2021 \$	Nine months ended March 31, 2020 \$
Expenses				
Investor relations	24,016	23,841	71,114	57,582
Management and consulting fees (Note 5)	77,300	21,750	128,800	87,700
Mineral exploration costs (Note 4)	312,198	2,726	496,040	141,051
Office and miscellaneous	14,344	8,261	39,797	35,847
Professional fees (Note 5)	26,856	24,274	100,120	75,482
Rent	3,930	3,180	11,790	9,505
Share-based compensation	244,856	-	244,856	-
Transfer agent and filing fees	7,733	8,792	15,787	14,775
Total expenses	711,233	92,824	1,108,304	421,942
Loss before other income (expense)	(711,233)	(92,824)	(1,108,304)	(421,942)
Other income (expense)				
Amortization of deferred financing costs	-	-	-	(2,989)
Mineral property option payments received in excess of capitalized costs (Note 4)	-	225,000	-	588,529
Impairment of mineral properties	(15,000)	-	(15,000)	(38,250)
Settlement of flow-through premium liability	39,448	-	65,221	20,000
Unrealized gain (loss) on marketable securities	(39,868)	(102,941)	(109,647)	(220,588)
Realized gain (loss) on marketable securities	-	1,315	-	(4,880)
Total other income (expense)	(15,420)	123,374	(59,426)	341,822
Net (loss) income and comprehensive (loss) income for the period	(726,653)	30,550	(1,167,730)	(80,120)
Income (loss) per share, basic and diluted	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average shares outstanding	81,313,000	23,558,000	77,332,000	29,451,000

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

SEARCHLIGHT RESOURCES INC.

Interim statements of changes in equity

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Share capital		Contributed surplus \$	Deficit \$	Total Shareholders' equity (deficit) \$
	Number of shares	Amount \$			
Balance, June 30, 2019	24,932,908	21,559,029	8,722,509	(30,528,137)	(246,599)
Shares issued for cash	6,130,000	306,500	-	-	306,500
Flow-through premium	-	(20,000)	-	-	(20,000)
Shares issued pursuant to mineral property option agreements	100,000	5,000	-	-	5,000
Shares issue for debt	6,281,260	314,063	-	-	314,063
Net loss for the period	-	-	-	(80,120)	(80,120)
Balance, March 31, 2020	37,444,168	22,164,592	8,722,509	(30,608,257)	278,844
Shares issued for cash	37,444,000	1,009,020	-	-	1,009,020
Share issue costs – cash		(69,627)	-	-	(69,627)
Share issue costs – broker warrants		(49,783)	49,783	-	
Flow-through premium		(57,920)	-	-	(57,920)
Shares issued for debt	6,281,260	125,625	-	-	125,625
Shares issued pursuant to mineral property option agreements	573,859	39,539	-	-	39,539
Fair value of stock options granted	-	-	285,872		285,872
Loss for the year	-	-	-	(36,025)	(36,025)
Balance, June 30, 2020	75,362,027	22,842,383	9,058,164	(30,671,232)	1,229,315
Shares issued for cash	14,054,150	1,118,803	-	-	1,118,803
Share issue costs-cash	-	(64,754)	-	-	(64,754)
Share issue costs-broker warrants	-	(43,381)	43,381	-	
Flow-through premium	-	(9,875)	-	-	(9,875)
Exercise of warrants	6,698,500	334,925	-	-	334,925
Share-based compensation	-	-	244,856		244,856
Net loss for the period	-	-	-	(1,167,730)	(1,167,730)
Balance, March 31, 2021	96,114,677	24,178,101	9,346,401	(31,838,962)	1,685,540

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

SEARCHLIGHT RESOURCES INC.

Interim statements of cash flows

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Nine months ended March 31, 2021	Nine months ended March 31, 2020
	\$	\$
Operating activities		
Net (loss) income for the period	(1,167,730)	(80,120)
Items not involving cash:		
Amortization of deferred financing costs	-	2,989
Mineral property option payments received in excess of capitalized cost	-	(323,529)
Unrealized loss on marketable securities	109,647	220,588
Realized loss on marketable securities	-	4,880
Impairment of mineral properties	15,000	38,250
Share-based compensation	244,856	-
Settlement of flow-through premium liability	(65,221)	(20,000)
Changes in non-cash operating working capital:		
Prepaid expenses and deposits	(26,980)	(38,639)
Accounts receivable	(59,262)	(5,172)
Accounts payable and accrued liabilities	135,732	102,522
Net cash used in operating activities	(813,958)	(98,231)
Investing Activities		
Acquisition of mineral properties	-	(3,000)
Net cash provided by investing activities	-	(3,000)
Financing activities		
Proceeds from issuance of common shares-net	1,054,049	306,500
Proceeds from exercise of warrants	334,925	-
Proceeds from sale of marketable securities	-	5,740
Net cash provided by financing activities	1,388,974	312,240
Change in cash	575,016	211,009
Cash, beginning of period	883,717	24,827
Cash, end of period	1,458,733	235,836
Non-cash investing and financing activities		
Marketable securities received pursuant to mineral property option agreement	-	323,529
Shares issued pursuant to mineral property option agreement	-	5,000
Shares issued for debt	-	314,063
Supplemental disclosures:		
Interest paid	-	-
Income taxes paid	-	-

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

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. Nature of Operations and Continuance of Business

Searchlight Resources Inc. (formerly Canyon Copper Corp.), (the “Company”), was incorporated in the State of Nevada, U.S.A. on January 21, 2000 under the name Aberdene Mines Limited. On August 7, 2006, the Company changed its name to Canyon Copper Corp. On May 31, 2013, the Company changed its incorporation jurisdiction to be British Columbia, Canada. On July 25, 2018, the Company changed its name to Searchlight Resources Inc. The Company’s principal business plan is to acquire, explore and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company’s registered office is Suite 408, 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

These interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. As at March 31, 2021, the Company has not generated any revenue and has accumulated losses of \$31,838,962 since inception. There is no guarantee that the Company will be able to complete any of the above objectives. These factors indicate the existence of a material uncertainty that may cast substantial doubt on the Company’s ability to continue as a going concern. These interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

These interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, “*Interim Financial Reporting*”.

On December 15, 2020, the Company’s wholly owned subsidiary Copper Canyon (USA) Ltd. was dissolved pursuant to the laws of Nevada. As a result, these interim financial statements include only the accounts of the Company. All inter-company transactions to the date of dissolution have been eliminated.

These interim financial statements have been prepared on a historical cost basis. These interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The Board of Directors approved these interim financial statements for issue on May 26, 2021.

(b) Future Accounting Standards

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s interim consolidated financial statements.

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. Marketable Securities

The Company holds shares in publicly traded companies. The fair value of common shares held has been determined by reference to public price quotations in an active market.

	June 30, 2020 Fair value \$	Acquired \$	Realized gains \$	Unrealized gains \$	March 31, 2021 Fair value \$
Marketable securities	274,118	-	-	(109,647)	164,471

4. Mineral Properties

Mineral property acquisition costs:

	English Bay Property \$	Bootleg Lake Property \$	Munro Warden Property \$	Cameron Cobalt Property \$	Duddridge Lake Property \$	Total \$
Balance, June 30, 2020	15,000	177,069	-	20,000	21,500	233,569
Impairment	(15,000)	-	-	-	-	(15,000)
Balance, March 31, 2021	-	177,069	-	20,000	21,500	218,569

Mineral exploration costs:

	Nine months ended March 31, 2021 \$	Nine months ended March 31, 2020 \$
General exploration	17,183	5,555
Geological and geophysics	116,445	96,775
Drilling	241,530	28,120
Labour, field and camp site	75,389	-
Staking	37,055	6,021
Other	8,438	4,580
	496,040	141,051

(a) Bootleg Lake Gold Property, Saskatchewan, Canada

On May 10, 2017, the Company entered into an option agreement ("Option Agreement") with New Moon Minerals Corp. ("New Moon") to earn up to a 75% interest in the Bootleg Lake Gold Property (the "Property") located near Creighton, Saskatchewan, Canada by making the following cash payments, share issuances and exploration expenditures:

- (i) Cash payment of \$5,000 upon signing of agreement (paid);
- (ii) Cash payment of \$5,000 and issuing 83,333 shares within 5 days of the date of TSXV acceptance (paid and issued);
- (iii) The Company could earn a 51% interest upon completing the following:
 - Cash payment of \$40,000 and issuing 83,333 shares (83,000 issued) before June 30, 2018;
 - Cash payment of \$50,000 and issuing 166,667 shares before June 30, 2019;

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

4. Mineral Properties *(continued)*

- Incurring initial exploration expenditures of \$100,000 before December 31, 2018, and incurring further exploration expenditures of \$150,000 before December 31, 2019, for a cumulative total of \$250,000 of exploration expenditures; and

(iv) The Company will earn a 75% interest upon completing the following:

- Cash payment of \$50,000 and issuing 166,667 shares before June 30, 2020 (issued);
- Cash payment of \$100,000 and issuing 166,667 shares before June 30, 2021;
- Incurring additional exploration expenditures of \$200,000 before December 31, 2020, and incurring further exploration expenditures of \$300,000 before December 31, 2021, for a cumulative total of \$750,000 of exploration expenditures.

The Company can, at its option, accelerate the cash payments and common shares issuances described above. Any excess exploration expenditures incurred on the Property within an earn-in time period will be credited to successive earn-in time periods.

Under the terms of the Option Agreement, the Company will pay a 1% Net Smelter Return royalty (the "First NSR") to New Moon on commencement of commercial production. The Company will have the right, at any time, to purchase 50% of the first NSR for \$500,000. There is an existing 1% net smelter return royalty in favour of the underlying optionors.

On October 16, 2018, the Company and New Moon executed an amended option agreement ("Amended Agreement") pursuant to which the Company can earn a 51% interest in the Property by issuing 1,425,000 shares in lieu of additional cash payments.

On June 25, 2020, the Company and New Moon executed an amended option agreement pursuant to which the Company could make a cash payment of \$30,000 and issue 473,859 shares to meet its obligation prior to June 30, 2020 under item (iv) above.

(b) Cameron Cobalt Property, Ontario, Canada

On November 13, 2017, the Company acquired 100% interest in the Cameron Cobalt Project located in the Brigstocke Township (the "Property") located in the north of North Bay, Ontario, in consideration for \$20,000.

(c) Duddridge Lake Property, Saskatchewan, Canada

On November 30, 2018, the Company entered into a purchase agreement to acquire a 100% interest in the Duddridge Lake Property located northwest of La Ronge, Saskatchewan. In consideration, the Company is to make the following cash payment and share issuance:

- (i) \$2,000 (paid) on the effective date; and
- (ii) \$2,000 (paid) and issue 500,000 common shares (issued) on the closing date.

Under the terms of the agreement, the Company will pay a 1% net smelter return royalty on commencement of commercial production. The Company will have the right, at any time prior to a feasibility study on the property or within six months after a feasibility study, to purchase 0.5% of the net smelter return for \$1,000,000 and to purchase 0.5% of the net smelter return for \$1,500,000.

(d) English Bay Property, Saskatchewan, Canada

On February 18, 2019, the Company entered into an option agreement to earn up to a 100% interest in the English Bay Property located in Saskatchewan. Under the terms of the option agreement, the Company had the option to acquire up to a 100% interest in the property by making cash payments, share issuances and exploration expenditures.

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

4. Mineral Properties *(continued)*

Under the terms of the option agreement, the Company would pay a 2% net smelter return royalty to the optionors on commencement of commercial production. The Company had the right, at any time, to purchase one-half of the net smelter return for \$1,000,000.

During the period, the Company terminated the option agreement and recorded impairment of \$15,000 in connection with the English Bay property.

(e) Flin Flon North Project, Saskatchewan, Canada

In August 2019, the Company entered into an option agreement to earn up to a 100% interest in the Flin Flon North Project located in Saskatchewan. Under the terms of the option agreement, the Company must maintain the claims in good standing and complete twelve years of assessment work. The property is subject to a 2% NSR.

5. Related Party Transactions

- (a) During the three months ended March 31, 2021, the Company incurred management fees of \$30,000 (2020 – \$30,000) to the CEO of the Company.
- (b) During the three months ended March 31, 2021, the Company incurred professional fees of \$15,000 (2020 – \$15,000) to a company controlled by the CFO of the Company.
- (c) During the three months ended March 31, 2021, the Company incurred consulting fees of \$15,000 (2020-\$nil) to a Director of the Company.
- (d) As at March 31, 2021, the Company was indebted to the Chief Executive Officer (“CEO”) of the Company for \$nil (June 30, 2020 – \$49,831), to the Chief Financial Officer \$nil (June 30, 2020-\$nil), and to a Director \$nil (June 30, 2020-\$nil). The amounts are included in accounts payable and accrued liabilities. The amounts are non-interest bearing, unsecured and due on demand.

6. Loans Payable

As at March 31, 2021, the Company was indebted to a non-related third party for \$97,500 (June 30, 2020 – \$97,500), which is non-interest bearing, unsecured and due on demand.

7. Share Capital

Authorized: Unlimited common shares without par value

Unlimited preferred shares without par value

- (a) On August 16, 2017, the Company completed a 3-for-1 share consolidation of its common shares. All share and per share amounts have been retroactively restated to reflect the share consolidation.
- (b) On December 17, 2020, 350,000 flow-through warrants were exercised resulting in the issuance of 350,000 flow-through shares for gross proceeds of \$17,500. A flow-through share premium of \$1,750 was recognized as a reduction against proceeds received.
- (c) On December 29, 2020, the Company issued 752,900 common shares and 987,500 flow-through shares at \$0.08 and \$0.07 respectively. Gross proceeds from the issue of shares and flow-through shares was \$131,703. A flow-through share premium of \$9,875 was recognized as a reduction against proceeds received.
- (d) On March 10, 2021, the Company issued 12,213,750 units and 100,000 flow-through shares at \$0.08 and \$0.10 respectively for gross proceeds of \$987,100. Each unit consists of one common share and one-half share purchase warrant with each whole share purchase warrant enabling the holder to acquire one common share at \$0.12 for a period of twenty-four months from the date of issue. The Company incurred cash commissions of \$63,146 and issued 694,925 finders' warrants with a fair value of \$42,962.
- (e) During the period February 19, 2021 to March 31, 2021, 4,158,500 flow-through warrants and 2,190,000 warrants were exercised resulting in the issue of 4,158,500 flow-through shares for

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. Share Capital (continued)

gross proceeds of \$207,925 and the issue of 2,190,000 common shares for gross proceeds of \$109,500.

8. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, June 30, 2020	35,282,000	0.05
Issued	6,106,875	0.12
Exercised	(6,698,500)	0.05
Balance, March 31, 2021	34,690,375	0.06

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

Number of warrants outstanding	Exercise price \$	Expiry date
1,600,000	0.05	September 18, 2021
1,340,000	0.05	October 25, 2021
2,783,500	0.05	May 26, 2021
22,860,000	0.05	May 26, 2023
6,106,875	0.12	March 10, 2023
34,690,375		

In addition, there are 2,896,005 finder warrants outstanding expiring between May 2021 and May 2023 and exercisable at prices between \$0.05 and \$0.12.

9. Stock Options

On August 21, 2009 (as amended on May 4, 2011), the Board of Directors of the Company adopted the Company's 2009 Stock Option Plan (the "Plan"). The Plan is administered by the Board of Directors. Stock options granted under the Plan have a maximum term of five years. The aggregate number of shares of the Company's common stock available for issuance under the 2009 Plan is 10% of the Company's issued and outstanding shares.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, June 30, 2020	6,325,000	0.06
Expired	-	0.00
Granted	2,550,000	0.10
Outstanding, March 31, 2021	9,075,000	0.07

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

9. Stock Options (continued)

Additional information regarding stock options outstanding as at March 31, 2021, is as follows:

Range of exercise prices \$	Number of shares	Outstanding and exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	875,000	2.8	0.05
0.17	100,000	1.7	0.17
0.20	200,000	1.5	0.20
0.05	5,150,000	4.2	0.05
0.09	500,000	1.9	0.09
0.10	2,050,000	5.0	0.10
	9,075,000	4.0	0.07

10. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2021, as follows:

	Fair Value Measurements Using			Balance, March 31, 2021 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	1,458,733	-	-	1,458,733
Marketable securities	164,471	-	-	164,471
	1,623,204	-	-	1,623,204

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, amounts due to related parties, accrued interest on loans payable to related parties, and loans payable to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company operates in Canada. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

10. Financial Instruments *(continued)*

(d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and contributed surplus.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2020.

12. Segmented Information

The Company operates in one reportable segment, being the acquisition, exploration and development of mineral properties, with all current exploration activities conducted in Canada and the United States.

	March 31, 2021		
	Canada \$	United States \$	Total \$
Mineral properties	218,569	-	218,569

The Company had no other non-current assets as at March 31, 2021.

SEARCHLIGHT RESOURCES INC.

Notes to the interim financial statements

March 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

13. Commitments and Contingencies

The following is a continuity schedule of the liability portion of the flow-through share issuances:

Balance June 30, 2020	\$ 66,472
Expenditure commitment on flow-through shares issued during the period	9,875
Settlement of flow-through share liability on Incurring expenditures	(65,221)
Balance March 31, 2021	\$ 11,126

The Company needs to incur a remaining \$192,253 in exploration and expenditure costs as at March 31, 2021 related to the remaining balance of the liability.

Covid 19

The Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

14. Subsequent Events

Subsequent to the period end, 2,783,500 flow-through warrants and 1,020,880 warrants were exercised resulting in the issue of 2,783,500 flow-through shares for gross proceeds of \$139,175 and the issue of 1,020,880 common shares for gross proceeds of \$51,044.

Subsequent to the period end, 1,083,333 common shares were issued at \$0.09 per share to extinguish debt of \$97,500.

Subsequent to the period end, the Company entered into an option agreement to acquire a 100% interest in the Robinson Creek Gold Project located in Saskatchewan. Pursuant to the option agreement, the Company must make cash payments of \$100,000, issue 2,000,000 common shares, and incur exploration and evaluation expenditures in the amount of \$500,000, over a four-year period. The transaction is subject to TSXV approval.