



(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the three months ended
March 31, 2021 and 2020

(Unaudited – prepared by management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements have been prepared by management.

The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	March 31 2021	December 31 2020
Assets		
Current		
Cash and cash equivalents	\$ 2,877,359	\$ 4,229,826
Accounts receivable (Note 13)	339,790	338,519
Prepaid expense (Note 10)	66,589	177,578
Current investments (Note 3)	60,353	23,778
	<u>3,344,091</u>	<u>4,769,701</u>
Reclamation bonds (Note 11)	90,000	84,000
Property and equipment (Note 4)	309,341	137,915
Exploration and evaluation assets (Note 5)	<u>11,209,103</u>	<u>10,047,546</u>
	\$14,952,535	\$15,039,162
Liabilities and Shareholders' Equity (Deficit)		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 503,891	\$ 628,965
Flow-through premium liability (Note 11)	90,346	153,603
	<u>594,237</u>	<u>782,568</u>
Long term liabilities	257,171	255,442
Decommissioning provision (Note 11)	65,000	65,000
Debenture payable (Note 6)	<u>9,534,249</u>	<u>9,322,875</u>
	<u>10,450,657</u>	<u>10,425,885</u>
Shareholders' equity (deficit)		
Share capital (Note 7)	24,226,283	24,162,533
Equity component of convertible debenture	448,116	448,116
Contributed surplus (Note 7)	2,296,101	2,307,351
Deficit	<u>(22,468,622)</u>	<u>(22,304,723)</u>
	<u>4,501,878</u>	<u>4,613,277</u>
	\$ 14,952,535	\$15,039,162
Nature and continuance of operations (Note 1)		
Commitments and contingencies (Note 11)		
Subsequent events (Note 7)		

On behalf of the Board:

"Tom MacNeill" Director
Mr. Tom MacNeill (Signed)

"Andrew Davidson" Director
Mr. Andrew Davidson (Signed)

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the three months ended March 31	2021	2020
Operating Expenses		
Administration costs (Note 10)	\$ 74,233	\$ 62,240
Professional fees	1,076	-
Public company costs	11,505	7,265
Trade shows, travel and promotion	159,495	20,479
Net loss from operating expenses	246,309	89,983
Depreciation (Note 4)	17,422	435
Net loss before other items	(263,731)	(90,418)
Other items		
Other income – settlement of flow-through premium liability (Note 11)	63,257	-
Unrealized gain (Loss) on investments (Note 3)	36,575	-
Comprehensive Loss for the period	\$(163,899)	\$ (90,418)
Loss per share – basic and diluted (Note 9)	\$(0.00)	\$(0.00)
Weighted average number of shares outstanding – basic and diluted (Note 9)	122,278,790	84,894,386

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Expressed in Canadian dollars)

	Share Shares	Capital Amount	Equity component of convertible debenture	Contributed surplus Share-based payments	Warrant reserve	Deficit	Total
Balance, December 31, 2019	84,894,386	\$17,515,874	\$448,116	\$968,551	\$13,550	\$(20,533,362)	\$ (1,587,271)
Loss for the period	-	-	-	-	-	(90,418)	(90,418)
Balance, March 31, 2020	84,894,386	17,515,874	448,116	968,551	13,550	(20,623,780)	(1,677,689)
Balance, December 31, 2020	121,873,234	24,162,533	448,116	2,293,801	13,550	(22,304,723)	4,613,277
Share issuance – warrants exercised	300,000	40,000	-	-	-	-	40,000
Share issuance – stock options exercised	250,000	23,750	-	(11,250)	-	-	12,500
Loss for the period	-	-	-	-	-	(163,899)	(163,899)
Balance, March 31, 2021	122,423,234	\$24,226,283	\$448,116	\$2,282,551	\$13,550	\$(22,468,622)	\$ 4,501,878

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the three months ended March 31	2021	2020
Cash flows from operating activities		
Loss for the period	\$ (163,899)	\$ (90,418)
Adjustment for:		
Depreciation	17,422	435
Unrealized loss (gain) on investments	(36,575)	-
Other income – settlement of flow-through premium liability	(63,257)	-
	<u>(246,309)</u>	<u>(89,983)</u>
Changes in non-cash working capital items		
Decrease (increase) in accounts receivable	(1,271)	17
Decrease in prepaid expense	110,989	-
Increase (decrease) in accounts payable and accrued liabilities and long-term liabilities	(350,851)	65,231
	<u>(487,442)</u>	<u>(24,735)</u>
Cash flows from investing activities		
Purchase property and equipment	(188,848)	-
Exploration and evaluation expenditures, net of tax credit	(722,677)	(54,497)
Increase in reclamation bonds	(6,000)	-
	<u>(917,525)</u>	<u>(54,497)</u>
Cash flows from financing activities		
Proceeds from shares issued – warrants exercised	40,000	-
Proceeds from shares issued – stock options exercised	12,500	-
	<u>52,500</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(1,352,467)	(79,232)
Cash and cash equivalents, beginning of period	<u>4,229,826</u>	<u>86,510</u>
Cash and cash equivalents, end of period	\$ 2,877,359	\$ 7,278

The Company made no cash payments for income taxes or interest.

The Company received cash payments of \$nil (2020 - \$nil) for interest in the period.

See Note 14 Supplemental Cash Flow Information.

March 31, 2021 and 2020

1. Nature and Continuance of Operations.

The Company's corporate office and principal place of business is Suite 602, 224-4th Avenue South, Saskatoon, Saskatchewan, Canada.

Management believes the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. During the year, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations. These material uncertainties cast a substantial doubt regarding the Company's ability to continue as a going concern. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. 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.

2. Basis of Preparation

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2020.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on May 7, 2021.

(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI") which are stated at their fair value. In addition, these audited consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These audited consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. Current Investments

The Company holds securities that have been designated as FVTPL as follows:

	March 31, 2021		December 31, 2020	
	Fair Value	Cost	Fair Value	Cost
Current:				
Common shares in public companies	\$ 60,353	\$ 56,597	\$ 23,778	\$ 56,597

For securities traded in an active market, fair value is based on the quoted closing bid prices of the securities at March 31, 2021 and December 31, 2020. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

The Company recorded unrealized gain of \$36,575 (2020 – loss of \$nil) in the period.

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
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(Expressed in Canadian dollars)

March 31, 2021 and 2020

4. Property and Equipment

Cost	Excavation Equipment	Furniture Fixtures & Equipment	Vehicles	Total
Balance at December 31, 2019	\$167,434	\$ 1,473	\$17,850	\$186,757
Additions	100,369	35,685	-	136,054
Balance at December 31, 2020	267,803	37,158	17,850	322,811
Additions	188,848	-	-	188,848
Balance at March 31, 2021	\$456,651	\$ 37,158	\$17,850	\$511,659
Accumulated Depreciation				
Balance at December 31, 2019	\$162,205	\$ 1,306	\$17,392	\$180,903
Depreciation	2,183	1,671	139	3,993
Balance at December 31, 2020	164,388	2,977	17,531	184,896
Depreciation	14,838	2,560	24	17,422
Balance at March 31, 2021	\$179,226	\$ 5,537	\$17,555	\$202,318
Carrying Value				
At December 31, 2020	\$103,415	\$ 34,181	\$ 319	\$137,915
At March 31, 2021	\$277,425	\$ 31,621	\$ 295	\$309,341

5. Exploration and Evaluation Assets

The Company has classified its exploration and evaluation properties into two geographical locations, namely British Columbia and the Yukon. The following is a summary of the properties:

	British Columbia				Yukon	
	Abo	Fraser Canyon	Mouse Mountain	Wingdam	Kiwi	Total
December 31, 2019	\$1	\$67,689	\$ -	\$7,963,387	\$ 1	\$ 8,031,078
Acquisition and renewal	-	-	124,500	77,061	-	201,561
Exploration costs	-	-	4,500	1,273,331	-	1,277,831
Accretion & interest (Note 7)	-	-	-	821,664	-	821,664
Mineral exploration ITC	-	-	-	(284,588)	-	(284,588)
December 31, 2020	1	67,689	129,000	9,850,855	1	10,047,546
Exploration costs	-	-	366,992	583,191	-	950,183
Accretion & interest (Note 7)	-	-	-	211,374	-	211,374
March 31, 2021	\$1	\$67,689	\$495,992	\$10,645,420	\$1	\$11,209,103

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
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5. Exploration and Evaluation Assets – continued

2021	Wingdam	Fraser Canyon	Mouse Mountain	Total
Tenure and permits	\$ 1,323	\$ -	\$ -	\$ 1,323
Analytical	115,407	-	25,312	140,719
Drilling	85,035	-	196,648	281,683
Geophysical	235,319	-	-	235,319
Geological	59,450	-	123,220	182,670
Personnel	19,098	-	-	19,098
Travel and accommodation	49,348	-	2,375	51,723
Equipment rental and other	18,211	-	19,437	37,648
	\$ 583,191	\$ -	\$ 366,992	\$ 950,183

2020	Wingdam	Fraser Canyon	Mouse Mountain	Total
Tenure and permits	\$ 1,323	\$ -	\$ -	\$ 1,323
Analytical	58	-	-	58
	\$ 1,381	\$ -	\$ -	\$ 1,381

As at March 31, 2021, the Company has executed option agreements with third parties on the following projects:

BC Projects

Abo (Harrison) Project

The 2,427 ha property, consisting of 11 claim units, is situated north of Harrison Hot Springs, B.C. One claim, Hot 4, is subject to a 2% NSR.

On November 17, 2011, the Company completed an option agreement whereby Sierra Madre Developments Inc. ("Sierra") can earn a 100% interest in the property by making exploration expenditures of \$3,000,000 and completing payments of 1,333,334 shares and \$1,000,000 cash over a five year period. The property is subject to a 2% Net Smelter Return Royalty payable to the Company. Sierra has the right to purchase 1% of the Royalty at any time for the sum of \$1,000,000 in cash.

On May 21, 2015, the Company and Sierra amended the option agreement agreeing to extend the share payment and expenditure due dates for a period of one year and to reduce the total expenditure requirements to \$2,000,000; and by amending the terms of the cash payments such that \$400,000 may be made in shares of Sierra and the balance of \$500,000 paid in instalments by way of an Advanced Preferred Royalty. In consideration, Sierra agrees to issue an additional 1,500,000 shares.

On February 20, 2017, the Company and Sierra further amended the option agreement on the Abo property changing the definition of "Triggering Event", adding Bear Mountain Gold Mines Ltd. ("Bear Mountain") to the agreement as a third party and amending the option payments schedule. As consideration, Sierra agreed to issue an additional 500,000 shares to the Company.

On December 31, 2018, the Company and Sierra signed a fourth amending agreement acknowledged that the rights and obligations of the agreement had been transferred from Sierra to Bear Mountain, and that all future expenditures, share issuances and payments would be delivered from Bear Mountain. In addition, the issuance of 666,666 common shares to Omineca was originally due December 31, 2018 was amended to be due April 30, 2019.

March 31, 2021 and 2020

5. Exploration and Evaluation Assets - continued

Abo (Harrison) Project - continued

Payments are now due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 25,000	-	\$ -	On execution date (received)
25,000	6,667	-	December 5, 2011 (received)
50,000	10,000	-	December 5, 2012 (received)
-	-	50,000	December 31, 2017 (not completed)
-	-	100,000	December 31, 2018 (not completed)
-	666,666	-	April 30, 2019 (received)
-	500,000	100,000	December 31, 2019 (not completed)
400,000	2,000,000	1,750,000	December 31, 2020
500,000	-	-	Preferred Advance Royalty payments
<u>\$ 1,000,000</u>	<u>3,183,333</u>	<u>\$ 2,000,000</u>	

Wingdam Project

CVG entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the "Wingdam Project") in the province of British Columbia. As part of the option agreement, CVG paid \$2,500,000 and consequently owns 100% of the mineral rights on property, subject to a 1% net smelter royalty payable to the vendor. CVG has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$1,000,000. This property is collateralized for the convertible debenture (note 7).

The Wingdam project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit, and has been under care and maintenance since September 25, 2012. On January 21, 2015 the Company received an amendment to its Wingdam Project Mines Act permit from the BC Ministry Of Energy and Mines.

In February 2019, the Company entered into a Letter of Agreement whereby an arm's length private company (the "Partner") will earn a 50% interest in the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. The Company and the Partner will enter into a definitive joint venture agreement in due course, which will be subject to regulatory acceptance.

Fraser Canyon Project

CVG entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the "Fraser Canyon Project") in the province of British Columbia. As part of the option agreement, CVG paid \$30,000 and consequently owns 100% of the mineral rights of the property, subject to a 2.5% net smelter royalty payable to the vendor. CVG has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$250,000.

Mouse Mountain Project

The Company entered into an option agreement to acquire a 50% interest in the project in the province of British Columbia. As part of the option agreement, The Company issued 300,000 and is required to drill 2,000 meters on the project. Subsequent to the end of the year, the Company completed its drilling and has earned its 50% interest in the project.

March 31, 2021 and 2020

5. Exploration and Evaluation Assets - continued

Yukon Projects

Kiwi Project

On February 15, 2013, the Company and HFX Holding Corp. ("HFX") entered into a letter agreement whereby HFX may earn a 100% interest in the Kiwi Gold Property, located in central Yukon. Under the terms of the agreement, HFX has the option to earn a 100% interest in the property by making \$320,000 in cash payments and issuing 800,000 common shares to Omineca over 6 years. Omineca will maintain a 2% Net Smelter Royalty on the claims, which may be reduced to 1% upon payment of \$1,000,000. On July 11, 2015, the Company and HFX amended the option agreement agreeing to amend the terms of the cash payments such that in lieu of the \$40,000 due July 12, 2015, HFX will issue 100,000 shares due March 1, 2016 (received). On July 11, 2016, the Company and HFX further amended the option agreement agreeing to amend the terms of the cash payments such that in lieu of the \$50,000 due July 12, 2016, HFX will issue 100,000 shares due November 14, 2016 (received).

On July 11, 2017, the Company and HFX further amended the agreement to change the payment schedule. Payments are due as follows:

Cash Payments	Share Payments	<u>Due Date</u>
\$ 30,000	50,000	July 12, 2013 (received)
-	100,000	July 12, 2014 (received)
-	100,000	July 12, 2015 (received)
-	100,000	March 1, 2016 (received)
-	250,000	November 14, 2016 (received)
20,000	250,000	December 31, 2017 (received in the year ended December 31, 2018)
75,000	250,000	July 12, 2018 (not completed)
75,000	-	July 12, 2019 (not completed)
<u>\$ 200,000</u>	<u>1,100,000</u>	

6. Convertible Debenture

The Company has a convertible debenture with 49 North Resources Inc. The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). In the event commercial production has not been achieved for an aggregate period of 24 months, at the maturity date this debenture will automatically renew for an additional term of 5 years. As commercial production has not commenced as of December 31, 2020, the maturity date will be extended and the balance remains in long-term liabilities.

Under the Amended Debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of \$0.20 per common share prior to October 1, 2017; \$0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and \$0.75 per common share on or after October 1, 2018 (previously \$1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the Amended Debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it was considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

Payments against principal and interest shall be payable in the event ore sales are generated. The Company's wholly owned subsidiary, CVG Mining Ltd., has guaranteed the debenture and grants to 49 North Resources Inc. a fixed and specific first ranking mortgage, assignment and charge in the Wingdam property.

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
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March 31, 2021 and 2020

6. Convertible Debenture - continued

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company's consolidated financial statements by the fair value method using an effective interest of 9.76% when valuing the liability first. This resulted in an initial amount of \$5,019,984 being allocated to the liability portion and \$303,244 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

	March 31 2021	December 31 2020
Original face value of convertible debenture	\$5,400,000	\$5,400,000
Less: equity portion of convertible debenture	(144,872)	(144,872)
Add: accretion	68,100	68,100
Carrying amount of convertible debenture at amendment date	5,323,228	5,323,228
Less: equity portion of amended convertible debenture	(303,244)	(303,244)
Add: accretion	333,776	311,485
Add: accrued interest	4,415,146	4,226,063
Less: repayments	(234,657)	(234,657)
	\$9,534,249	\$9,322,875
	Three months ended March 31, 2021	2020
Accretion expense	\$ 22,291	\$ 20,225
Accrued interest	189,083	178,955
Capitalized to exploration and evaluation assets	\$ 211,374	\$ 199,180

7. Equity Instruments

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

At March 31, 2021, there were 122,423,234 (December 31, 2020 – 121,873,234) shares issued and outstanding. As at March 31, 2021, nil shares were escrowed.

On April 27, 2020, the Company closed a non-brokered private placement, selling 5,216,665 non-flow-through units at a price of \$0.12 per unit for gross proceeds of \$626,000. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.20 for a 24 month period.

On May 21, 2020, the Company closed a non-brokered private placement, selling 7,782,667 non-flow-through units at a price of \$0.12 per unit for gross proceeds of \$933,920. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.20 for a 24 month period. A finder's fee of \$3,206 cash was paid to third parties. In addition, the Company incurred other share issue costs of \$27,514, in total.

On September 30, 2020, the Company issued 300,000 in accordance with an mineral property option agreement. The shares were valued at \$124,500.

OMINECA MINING AND METALS LTD.
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March 31, 2021 and 2020

7. Equity Instruments – continued

On November 25, 2020, the Company closed a brokered private placement financing and issued 10,171,673 non-flow through units at \$0.28 per unit for gross proceeds of \$2,848,068 and 8,826,511 flow through units at \$0.30 per unit for gross proceeds of \$2,647,953. Each unit consists of one common share and one half of one warrant, with each whole warrant entitling the holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the closing of the offering. A finder's fee of \$349,721 cash was paid to third parties, 1,204,873 agent options were issued, and the Company incurred other share issue costs of \$154,627. Each agent option is exercisable for 1 unit at a price of \$0.28 per unit for a period of 2 years. Each unit is comprised of one common share and one half of one warrant. Each whole warrant is exercisable at a price of \$0.35 per share for a period of 2 years.

c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

As at March 31, 2021 and December 31, 2020, the Company has the following stock options activities:

	Number of Options	Exercise Price per Share Range	Weighted Average Exercise Price	Weighted Average Remaining Life
Total issued and outstanding				
Balance, December 31, 2019	7,925,000	\$ 0.05 - \$0.20	\$ 0.08	6.12 years
Granted	3,150,000	0.33	0.33	
Exercised	(650,000)	0.08	0.08	
Balance, December 31, 2020	10,425,000	0.05 - 0.33	0.15	5.18 years
Exercised	(200,000)	0.05	0.05	
Balance, March 31, 2021	10,175,000	\$ 0.05 - \$0.33	\$ 0.15	4.82 years

As at March 31, 2021, the following table summarizes information about stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
725,000	\$ 0.20	June 15, 2021	725,000	\$ 0.20
3,750,000	\$ 0.05	May 15, 2028	3,750,000	0.05
2,550,000	\$ 0.08	May 3, 2024	2,550,000	0.08
3,150,000	\$ 0.33	December 11, 2025	3,150,000	0.33
10,175,000			10,175,000	\$ 0.15

d) Compensation expense for share options

During the period ended March 31, 2021, \$nil (December 31, 2020 - \$894,600) was recorded as share-based payments for options granted and vested in the year. Share-based payments are determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period.

On May 3 2019, the board of directors of the Corporation approved the grant of 3,200,000 stock options pursuant to the Option Plan. 1,500,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.08 per share, vest immediately and, if not exercised, expire May 3, 2024, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

March 31, 2021 and 2020

7. Equity Instruments – continued

The value of options issued on May 3, 2019, using the Black-Scholes option pricing model, was \$252,800 (\$0.079 per option) which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.08, risk-free interest rate of 1.70%, expected life of 5 years, annualized volatility 233.95% determined by reference to the Company's historical trading prices, and dividend rate of nil.

On December 11, 2020, the board of directors of the Corporation approved the grant of 3,150,000 stock options pursuant to the Option Plan. 1,050,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.33 per share, vest immediately and, if not exercised, expire December 11, 2025, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on December 11, 2020, using the Black-Scholes option pricing model, was \$894,600 (\$0.284 per option) which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.305, risk-free interest rate of 0.61%, expected life of 5 years, annualized volatility 162.85% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(e) Warrants outstanding

As at March 31, 2021, the Company has the following warrants outstanding:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2019	11,000,000	\$ 0.10	1.30 years
Issued	12,999,332	0.20	
Issued	9,499,091	0.35	
Exercised	(4,031,332)	0.10 – 0.20	
Balance, December 31, 2020	29,467,091	0.21	1.16 years
Exercised	(300,000)	0.10 - 0.20	
Balance, March 31, 2021	29,167,091	\$ 0.21	0.92 years

Subsequent to the period-end, the Company received \$696,867 for the exercise of 6,968,667 warrants and the issuance of 6,968,667 common shares. Further, 1,333,333 warrants expired unexercised.

(f) Agent options outstanding

As at March 31, 2021, the Company has the following agent options outstanding:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2019	-	\$ -	-
Issued	1,204,873	0.28	
Balance, December 31, 2020 and March 31, 2021	1,204,873	\$ 0.28	1.90 years 1.65 years

The value of the agent options issued on November 25, 2020, using the Black-Scholes option pricing model, was \$482,000, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.29, risk-free interest rate of 0.26%, expected life of 2 years, annualized volatility 248.36% determined by reference to the Company's historical trading prices, and dividend rate of nil.

OMINECA MINING AND METALS LTD.
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8. Income Taxes

At December 31, 2020 there are non-capital tax losses of \$6,557,000 (2019 - \$4,801,000) available for carry-forward to reduce future years' taxable income that will expire as follows:

2029	\$ 11,000
2030	653,000
2031	486,000
2032	558,000
2033	406,000
2034	411,000
2035	346,000
2036	269,000
2037	235,000
2038	444,000
2039	978,000
2040	1,760,000
	<u>\$ 6,557,000</u>

9. Per Share Amounts

The calculation of per share amounts are based on the weighted average number of shares outstanding during the period ended March 31, 2021 of 122,278,790 (2020 – 84,894,386) shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding has an anti-dilutive effect for the periods ended March 31, 2021 and 2020.

10. Related Party Transactions

The Company was involved in the following related party transactions during the year:

- (a) The Company has a convertible debenture with accrued interest with 49 North Resources Inc. During the period ended March 31, 2021 the Company accrued \$189,083 (2020 - \$178,955) in interest expense and \$22,291 (2020 - \$20,225) in accretion expense. These amounts have been capitalized as part of exploration and evaluation assets.
- (b) During the period ended March 31, 2021, the Company incurred rent of \$6,000 (2020 - \$nil). At March 31, 2021, \$nil (December 31, 2020 - \$nil) is included in accounts payable and accrued liabilities to a company with a common parent company.

Compensation to key management personnel in the period and prior period:

	<u>2021</u>	<u>2020</u>
Consulting and management fees	<u>\$ 30,000</u>	<u>\$ 30,000</u>
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

- (c) Included in administration costs is \$15,000 (2020 - \$15,000) paid or accrued for consulting fees to a company controlled by a director and officer of the Company. At March 31, 2021, \$10,250 is included in prepaid expense (December 31, 2020 - \$10,250 included in accounts payable and accrued liabilities).
- (d) Included in administration costs is \$15,000 (2020 - \$15,000) paid or accrued for consulting fees to a company controlled by a director and officer of the Company. At March 31, 2021, \$nil (December 31, 2020 - \$nil) is included in accounts payable and accrued liabilities.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

March 31, 2021 and 2020

11. Commitments and Contingencies

The Company has \$90,000 (2020 - \$84,000) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such an indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

During the year ended December 31, 2020, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$176,530, which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at March 31, 2021, the Corporation reduced the liability to \$90,346 (December 31, 2020 - \$153,603) and recognized other income in the amount of \$63,257 (March 31, 2020 - \$nil) during the period ended March 31, 2021 and is required to expend \$1,355,183 before December 31, 2022.

12. Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

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

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

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

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

March 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,877,359	\$ -	\$ -	\$ 2,877,359
Current Investments	\$ 60,353	\$ -	\$ -	\$ 60,353
December 31, 2020	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 4,229,826	\$ -	\$ -	\$ 4,229,826
Current Investments	\$ 23,778	\$ -	\$ -	\$ 23,778

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk, commodity price risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

March 31, 2021 and 2020

12. Financial Instruments - continued

a) Concentration risk

At March 31, 2021, all of the Company's cash and cash equivalents were held at two recognized Canadian national financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is the carrying value.

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at March 31, 2021, the Company has no monetary assets or liabilities in foreign currencies.

d) Price risk

The Company's investments designated as FVTPL and are traded on the TSX Venture Exchange. A 1% change in the quoted share price would not significantly impact the fair value of the investments. The change would be recorded in profit or loss.

e) Commodity price risk

The value of the Company's exploration and evaluation resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) Liquidity risk

The Company has a working capital of \$2,749,854 at March 31, 2021 (December 31, 2020 - \$3,987,133 deficiency) which is not sufficient to meet long term business requirements when taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. Future operations or exploration programs will require additional financing primarily through equity markets, or through joint venture partnerships.

13. Supplemental Cash Flow Information

Non-cash investing and financing activities:

Included in exploration and evaluation assets are \$22,291 (2020 - \$20,225) in capitalized accretion and interest and \$189,083 (2020 - \$178,955) in accounts payable and accrued liabilities.

The Company allocated \$11,250 (2020 - \$nil) from contributed surplus to share capital upon the exercise of stock options.

March 31, 2021 and 2020

14. Capital Management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, equity component of convertible debenture, contributed surplus, and deficit, in the definition of capital. 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, exploration and development of exploration and evaluation 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.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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 periods ended March 31, 2021 and 2020. The Company is not subject to externally imposed capital requirements.