LABRADOR GOLD CORP.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Labrador Gold Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Labrador Gold Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2020 and 2019, the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company is dependent on equity issuances to fund operations and has an accumulated deficit of $12,707,683 as at September 30, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brad J Waddell.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
January 27, 2021

Labrador Gold Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		As at September 30, 2020		As at September 30, 2019
ASSETS					
Current					
Cash		**$**	**6,298,629**	$	403,466
Amounts receivable			**73,078**		53,772
Prepaid expenses			**85,261**		11,686
Total current assets			**6,456,968**		468,924
Unproven mineral interests	7		**7,353,276**		6,351,691
Total assets		**$**	**13,810,244**	$	6,820,615
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	6	**$**	**195,872**	$	198,276
Deferred flow-through premium liability	4		**44,941**		-
Total liabilities			**240,813**		198,276
Shareholders' equity					
Share capital	4		**23,561,123**		16,179,249
Share-based payments reserve	4		**2,715,991**		1,101,865
Deficit			**(12,707,683)**		(10,658,775)
Total shareholders' equity			**13,569,431**		6,622,339
Total liabilities and shareholders' equity		**$**	**13,810,244**	$	6,820,615

The accompanying notes are an integral part of these financial statements

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

Approved on behalf of the Board:

"James Borland", Director

"Trevor Boyd", Director

Labrador Gold Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note		Year Ended September 30, 2020		Year Ended September 30, 2019
Operating expenses					
Consulting and management fees	6	**$**	**340,623**	$	105,000
Office and miscellaneous			**126,988**		30,625
Professional fees	6		**97,444**		22,603
Regulatory and transfer fees			**31,620**		21,869
Share-based compensation	4, 6		**1,449,471**		353,354
Shareholder communications			**38,366**		40,315
Loss before other items			**(2,084,512)**		(573,766)
Other items					
Gain on forgiveness of debt			**-**		1,330
Flow-through premium	4		**35,059**		-
Other income			**545**		2,839
Net loss and comprehensive loss for the year		**$**	**(2,048,908)**	$	(569,597)
Basic and diluted net loss per share		**$**	**(0.03)**	$	(0.01)
Weighted average number of common shares outstanding			**66,031,084**		55,116,682

The accompanying notes are an integral part of these financial statements

Labrador Gold Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended September 30, 2020	Year Ended September 30, 2019
Operating activities		
Net loss for the year	**$ (2,048,908)**	$ (569,597)
Items not affecting cash:		
Share-based compensation	**1,449,471**	353,354
Flow-through premium	**(35,059)**	-
Gain on forgiveness of debt	**-**	(1,330)
Changes in non-cash working capital items		
Amounts receivable	**(19,306)**	221,706
Prepaid expenses	**(73,575)**	(9,964)
Accounts payable and accrued liabilities	**80,078**	3,514
Net cash used in operating activities	**(647,299)**	(2,317)
Investing activities		
Unproven mineral interests - acquisition	**(268,000)**	(225,000)
Unproven mineral interests - exploration	**(618,267)**	(983,082)
Net cash used in investing activities	**(886,267)**	(1,208,082)
Financing activities		
Issue of common shares for cash	**7,708,979**	631,150
Share issue costs	**(280,250)**	-
Net cash provided in financing activities	**7,428,729**	631,150
Net change in cash	**5,895,163**	(579,249)
Cash, beginning of year	**403,466**	982,715
Cash, end of year	**$ 6,298,629**	$ 403,466

The accompanying notes are an integral part of these financial statements

Labrador Gold Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Share Capital Number		Share Capital Amount		Share-Based Payments Reserve		Deficit		Total
Balance, September 30, 2018		51,592,552	$	15,438,380	$	748,510	$	(10,089,178)	$	6,097,712
Acquisition of unproven mineral interests	4, 9	525,000		99,750		-		-		99,750
Exercise of warrants	4	4,855,000		631,150		-		-		631,150
Expenses settled with shares	4	66,470		9,969		-		-		9,969
Share-based compensation	4	-		-		353,354		-		353,354
Net loss for the year		-		-		-		(569,597)		(569,597)
Balance, September 30, 2019		**57,039,022**		**16,179,249**		**1,101,864**		**(10,658,775)**		**6,622,338**
Issuance of common shares in private placements	4	28,571,429		5,300,000		-		-		5,300,000
Premium on issuance of flow-through private placement shares	4	-		(80,000)		-		-		(80,000)
Share issue costs - cash	4	-		(280,250)		-		-		(280,250)
Share issue costs - fair value of finder's warrants and units	4	-		(274,135)		274,135		-		-
Options exercised	4	200,000		36,672		(16,672)		-		20,000
Warrants exercised	4	6,463,156		2,217,155		(16,742)		-		2,200,413
Broker units exercised	4	670,568		264,632		(76,065)		-		188,567
Acquisition of unproven mineral interests	4, 7	430,000		197,800		-		-		197,800
Share-based compensation	4, 6	-		-		1,449,471		-		1,449,471
Net loss for the year		-		-		-		(2,048,908)		(2,048,908)
Balance, September 30, 2020		**93,374,175**	**$**	**23,561,123**	**$**	**2,715,991**	**$**	**(12,707,683)**	**$**	**13,569,431**

The accompanying notes are an integral part of these financial statements

1. Nature of business and going concern

Labrador Gold Corp. (formerly Nikos Explorations Ltd.) ("Labrador Gold" or the "Company") is a company involved in the acquisition and exploration of prospective gold projects in the Americas. It was incorporated under the Business Corporations Act (British Columbia) in 1987. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LAB". Its principal office is located at 326 Rusholme Road, Toronto, ON, Canada M6H 2Z5.

The Company is focused in conducting gold exploration in the province of Newfoundland and Labrador, Canada, and also has mineral right interests in Ontario, Canada. At the date of these financial statements, the Company has not yet determined whether any of its mineral interests contain economically mineral reserves. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These financial statements have been prepared on a going concern basis, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made an assessment of its ability to continue as a going concern and is aware of several material adverse conditions as set out below that cast significant doubt on the validity of this assumption.

The Company is a mineral exploration company with a history of recurring losses and without a source of revenue. At September 30, 2020, the Company had no source of operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand.

Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's unproven mineral right interests could be subject to adjustments.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

2. Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended September 30, 2020.

These financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise stated. These financial statements have been prepared on an accrued basis and are based on the historical cost basis and modified where applicable.

These financial statements were authorized for issue by the board of directors of the Company on January 27, 2021.

3. Significant accounting policies

Use of judgments and estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgments

a) Unproven mineral right interests

The application of the Company's accounting policy for unproven mineral right interests requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is impaired with a corresponding charge to profit or loss in the period in which the new information becomes available.

b) Title to unproven mineral right interests

Although the Company has taken steps to verify title to its unproven mineral right interests, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Going concern

Critical judgment and estimates are applied for the determination that the Company will continue as a going concern for the next year.

Estimates

a) Share-based compensation:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair values for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The model and assumptions used by the Company to estimate the fair value of share-based payments are disclosed in note 4(c).

3. Significant accounting policies (continued)

Use of judgments and estimates (continued)

Estimates (continued)

b) Income taxes:

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less, which are readily convertible into a known amount of cash. There were no cash equivalents at September 30, 2020 and 2019.

Unproven mineral right interests

All acquisition costs, exploration and direct field costs are capitalized into intangible assets until the rights to which they relate are placed into production, at which time these deferred costs will be amortized over the estimated useful life of the rights upon commissioning the property or written-off if the rights are disposed of, impaired or abandoned.

Management reviews the carrying amounts of mineral right interests on a periodic basis and will recognize impairment based upon current exploration results and upon assessment of the probability of profitable exploitation of the rights. Management's assessment of the mineral right's fair value is also based upon a review of other mineral right transactions that have occurred in the same geographic area as that of the rights under review. Administration costs and other exploration costs that do not relate to a specific mineral right are expensed as incurred.

Costs include the cash consideration and the fair value of shares issued on the acquisition of mineral rights. Rights acquired under option or joint venture agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. Proceeds from property option payments received by the Company are netted against the deferred costs of the related mineral rights, with any excess being included in operations.

There may be material uncertainties associated with the Company's title and ownership of its unproven mineral interests. Ordinarily the Company does not own the land upon which an interest is located, and title may be subject to unregistered prior agreements or transfers or other undetected defects.

3. Significant accounting policies (continued)

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Management estimates of mineral prices, recoverable reserves, and operating, capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of mineral right interests. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management’s estimate of the net cash flow to be generated from its projects.

Income taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

<u>Deferred income tax</u>

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. Significant accounting policies (continued)

Income taxes (continued)

Deferred income tax (continued)

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets for unused tax losses, tax credits and deductible temporary differences are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity or other comprehensive income ("OCI") is recognized in equity or OCI and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3. Significant accounting policies (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is determined on a cost recovery basis.

Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued for goods or services, the share-based payment is measured at the fair value of the goods and services received. Where the consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity- settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

Share capital

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral right interests is based on the trading price of those shares on the TSX-V on the date of share issuance or other fair value equivalent amount as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in the non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method.

3. Significant accounting policies (continued)

Basic loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of loss and comprehensive loss assumes that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

Reclamation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognized as interest expense.

New accounting policies adopted

Leases ("IFRS 16")

The Company adopted IFRS 16, which replaced IAS 17, Leases. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases, with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods; changes the accounting for sale and leaseback arrangements; and introduces new disclosure requirements.

The Company adopted IFRS 16 on October 1, 2019 using the modified retrospective approach without restatement of comparative amounts, electing to measure the right-of-use asset at an amount equal to the lease liability. The modified retrospective approach offers the option, on a lease-by-lease basis, to either measure the right-of-use asset retrospectively using the discount rate as at the date of initial application or to measure the right-of-use asset at an amount equal to the lease liability. An assessment was made and there was no impact to the Company's financial statements as at October 1, 2019.

4. Equity

(a) Share capital

An unlimited number of common shares without par value

Fiscal 2020:

On June 18, 2020, the Company closed a non-brokered private placement with the sale of 4,000,000 flow-through units ("FT Units") of the company at a price of $0.25 per FT Unit for gross proceeds of $1,000,000. Each FT Unit comprises one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.30 until June 18, 2022. The Company recognized the receipt of $80,000 as a deferred flow-through premium liability.

On June 25, 2020, the Company closed a non-brokered private placement with the sale of 24,571,429 units at a price of $0.175 per unit for proceeds of $4,300,000. Each unit comprises one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.30 until June 25, 2022. The Company paid $211,610 in cash finders' fees and issued 1,179,043 broker warrants. Each broker warrant is exercisable at $0.175 until June 25, 2022 to acquire one common share.

The 1,179,043 broker warrants attached to the above private placements were valued at $198,059 using the Black-Scholes option pricing model and the following assumptions: weighted average share price - $0.28; weighted average exercise price - $0.175; dividend yield - 0%; risk-free interest rate - 0.30%; expected volatility - 91%; and expected life - 2 years.

During the year ended September 30, 2020, the Company received proceeds of $20,000 from the exercise of 200,000 share purchase options. The $16,672 value of the 200,000 options exercised was transferred from the share-based payments reserve to share capital upon exercise. See Note 4(c).

During the year ended September 30, 2020, the Company received proceeds of $2,217,155 from the exercise of 6,453,156 warrants, including 103,600 finder’s warrants. The $16,742 value of the 103,600 finder’s warrants exercised was transferred from the share-based payments reserve to share capital upon exercise. See Note 4(d).

During the year ended September 30, 2020, 586,928 Broker Units were exercised for proceeds of $146,732, with the $70,211 value of these Broker Units transferred from the share-based payments reserve to share capital upon exercise.

During the year ended September 30, 2020, 83,640 Flow-Through Broker Units were exercised for proceeds of $25,092, with the $5,854 value of these Flow-Through Broker Units transferred from the share-based payments reserve to share capital upon exercise. See Note 4(e).

During the year ended September 30, 2020, the Company issued 430,000 shares, valued at $197,800, for the acquisition of unproven mineral right interests at the Thomas Property and Kingsway Property (Note 7).

Fiscal 2019:

The Company received proceeds of $631,150 from the exercise of 4,855,000 warrants.

The Company entered into a shares-for-debt settlement with an arm’s-length party, in respect of online marketing services provided to the Company. Under the agreement, the Company issued an aggregate of 66,470 common shares valued at $9,971 to settle debt of $11,300 and recognized a gain on settlement of $1,330.

During the year ended September 30, 2019, the Company issued 525,000 shares, valued at $99,750, for the acquisition of unproven mineral right interests at the Labrador Properties (Note 7).

(Expressed in Canadian Dollars)

4. Equity (continued)

(b) Share-based payment reserve

Share-based payments reserve consists of the accumulated fair value of common share options, share purchase warrants and broker units recognized as share-based payments, net of the fair values of common share options, share purchase warrants and broker units transferred to share capital upon exercise.

(c) Share purchase options

The following table reflects the continuity of stock options for the years ended September 30, 2020 and 2019:

	Number of share purchase options	Weighted average exercise price ($)
Balance, September 30, 2018	2,780,000	0.15
Granted (i)(ii)	1,700,000	0.25
Balance, September 30, 2019	**4,480,000**	**0.19**
Granted (iii)	3,150,000	0.45
Forfeited (iv)	(920,000)	(0.17)
Exercised (v)	(200,000)	(0.10)
Balance, September 30, 2020	**6,510,000**	**0.32**

(i) On September 9, 2019, the Company granted 100,000 share purchase options to a consultant, exercisable at a price of $0.25 per share until September 9, 2024. A fair value of $65,036 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.19; dividend yield - 0%; expected volatility - 196.35%; risk-free interest rate - 1.37%; and an expected life - 5 years. 50% of the options vested immediately upon grant, with the balance vesting on March 9, 2020.

(ii) On May 15, 2019, the Company granted 1,600,000 share purchase options to directors, officers and consultants, exercisable at a price of $0.25 per share until May 15, 2024. A fair value of $65,036 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.22; dividend yield - 0%; expected volatility - 201.56%; risk-free interest rate - 1.54%; and an expected life - 5 years. The options vested immediately upon grant.

(iii) On July 27, 2020, the Company granted 3,150,000 share purchase options to directors, officers and consultants, exercisable at a price of $0.45 per share until July 27, 2025. A fair value of $1,441,545 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.54; dividend yield - 0%; expected volatility - 123.07%; risk-free interest rate - 0.35%; and an expected life - 5 years. The options vested immediately upon grant.

(iv) During the year ended September 30, 2020, 920,000 options with a weighted average price of $0.17 were forfeited without exercise.

(v) During the year ended September 30, 2020, the Company, as noted in Note 4(a), received proceeds of $20,000 from the exercise of 200,000 share purchase options. The $16,672 value of the 200,000 options exercised was transferred from the share-based payments reserve to share capital upon exercise.

During the year ended September 30, 2020, $1,449,471 (year ended September 30, 2019 - $353,354) was expensed to share-based compensation.

(Expressed in Canadian Dollars)

4. Equity (continued)

(c) Share purchase options (continued)

The following table reflects the stock options issued and outstanding as of September 30, 2020:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Number of options outstanding	Vested and execisable
February 9, 2021	0.06	0.36	240,000	240,000
March 6, 2022	0.10	1.43	400,000	400,000
December 13, 2022	0.20	2.2	1,320,000	1,320,000
May 15, 2024	0.25	3.62	1,300,000	1,300,000
September 9, 2024	0.25	3.95	100,000	100,000
July 27, 2025	0.45	4.82	3,150,000	3,150,000
	0.32	**3.67**	**6,510,000**	**6,510,000**

(d) Share purchase warrants

The following table reflects the continuity of warrants for the years ended September 30, 2020 and 2019:

	Number of share purchase warrants	Weighted average exercise price ($)
Balance, September 30, 2018	20,971,484	0.27
Exercised (i)	(4,855,000)	(0.13)
Expired	(500,000)	(0.13)
Balance, September 30, 2019	**15,616,484**	**0.32**
Issued (ii)(iii)(iv)	30,089,756	0.30
Exercised (v)	(6,463,156)	(0.34)
Expired (vi)	(1,577,612)	(0.37)
Balance, September 30, 2020	**37,665,472**	**0.30**

(i) The Company received proceeds of $631,150 from the exercise of 4,855,000 warrants. A total of 500,000 warrants priced at $0.13 expired unexercised.

On November 6, 2019, the Company extended the expiry date of 8,785,000 warrants exercisable at $0.30 and 80,000 warrants exercisable at $0.40 from November 22, 2019 to November 22, 2020.

(ii) In June 2020, the Company issued 28,571,429 warrants exercisable into one common share of the Company at a price of $0.30 per share and 1,179,043 broker warrants at a price of $0.30 exercisable into one Company share at a price of $0.18 pursuant to completed private placements. These warrants have a term of two years. A fair value of $198,059 was determined for the broker warrants using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.28; dividend yield - 0%; expected volatility – 91.03%; risk-free interest rate – 0.30%; and an expected life - 2 years. See Note 4(a).

(iii) During the year ended September 30, 2020, the Company issued 4,000 broker warrants relating to the Company's July 2018 private placement. Each broker warrant was exercisable at $0.40 per common share until July 23, 2020 and expired unexercised. A fair value of $10 was determined using the Black-Scholes option pricing model. The following

(Expressed in Canadian Dollars)

4. Equity (continued)

(d) Share purchase warrants (continued)

weighted average assumptions were used: share price - $0.37; dividend yield - 0%; expected volatility - 46%; risk-free interest rate - 0.24%; and an expected life - 0.02 years.

(iv) In July 2020, the Company issued 335,284 warrants exercisable at $0.35 per common share until July 23, 2020 pursuant to the exercise of broker units. See note 4(e).

(v) The Company received proceeds of $2,217,155 from the exercise of 6,463,156 warrants, including 103,600 finder's warrants. The $16,742 value of the 103,600 finder's warrants exercised was transferred from the share-based payments reserve to share capital upon exercise.

(vi) During the year ended September 30, 2020, 1,577,612 warrants exercisable at prices ranging from $0.30 to $0.40 per common share expired.

(e) Broker units

The following table reflects the continuity of broker units for the years ended September 30, 2020 and 2019:

	Number of broker units	Weighted average exercise price ($)
Balance, September 30, 2018 and 2019	**-**	**-**
Issued (i)(ii)	670,568	0.26
Exercised	(670,568)	(0.26)
Balance, September 30, 2020	**-**	**-**

(i) In July 2020, the Company issued 586,928 broker units ("Broker Units") relating to the Company's June 2018 private placement. Each Broker Unit was exercisable at $0.25 per unit until July 23, 2020 into one common share of the Company and one-half of one common share purchase warrant, where each full warrant entitled the holder to purchase a common share of the Company at $0.35 per share until July 23, 2020. A fair value of $70,211 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.37; dividend yield - 0%; expected volatility - 46%; risk-free interest rate - 0.24%; and an expected life - 0.02 years.

(ii) In July 2020, the Company issued 83,640 flow-through broker units ("FT Broker Units") relating to the Company's July 2018 private placement. Each FT Broker Unit was exercisable at $0.30 per unit until July 23, 2020 into one common share of the Company and one-half of one common share purchase warrant, where each full warrant entitled the holder to purchase a common share of the Company at $0.35 per share until July 23, 2020. A fair value of $5,854 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: share price - $0.37; dividend yield - 0%; expected volatility - 46%; risk-free interest rate - 0.24%; and an expected life - 0.02 years.

The above broker units were exercised in July 2020.

5. Financial and capital risk management - financial instruments

Financial risk

The Company's activities expose it to a variety of financial risks, which include liquidity risk, interest rate risk, currency risk and credit risk.

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. A significant decrease in commodity prices can have an adverse impact on the Company's ability to raise funds through the equity market. The Company generates cash flow primarily from its financing activities. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(ii) Interest rate risk

The Company currently does not have any short-term or long-term debt that is interest bearing at variable rates. As such, the Company’s current exposure to interest rate risk is minimal.

(iii) Foreign currency risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and its functional currency is the Canadian Dollar. All of its cash is held in Canadian dollars and significantly all of the Company’s costs are denominated in Canadian dollars.

(iv) Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

Capital risk management

The Company’s capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company’s objectives when managing its capital structure are to maintain financial flexibility to preserve the Company’s access to capital markets and its ability to meet its financial obligations. The Company’s management is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company’s financial position including cash flow forecasts to determine the future capital management requirements.

As of September 30, 2020, the Company is managing its existing working capital to ensure that it will be able to meet current commitments.

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company’s corporate and project requirements are met.

(Expressed in Canadian Dollars)

6. Related party transactions

Related parties include the Company's officers, Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Year Ended September 30, 2020 ($)	Year Ended September 30, 2019 ($)
Management and consulting fees	**118,589**	105,000
Geological consulting fees	**17,160**	9,000
Share-based compensation	**1,357,944**	321,900
	1,493,693	435,900

During the year ended September 30, 2020, the Company incurred management and consulting fees of $4,000 (year ended September 30, 2019 - $21,000) for accounting services provided by a company controlled by the Company's former CFO.

During the year ended September 30, 2020, the Company incurred management and consulting fees of $97,410 (year ended September 30, 2019 - $84,000) and geological consulting fees of $17,160 (year ended September 30, 2019 - $9,000) for services provided by a company controlled by the Company's CEO.

Management fees to the Company’s CEO are paid pursuant to a 2018 consulting agreement under which Moss Exploration Services received a monthly fee of $8,000, increased to $9,000 as of April 1, 2019 and to $12,000 as of September 1, 2020. The Company can terminate the agreement with three months’ notice, or payment of the fees during the termination period in lieu of notice.

For the year ended September 30, 2020, the Company paid or accrued $17,179, in professional fees (year ended September 30, 2019 - $nil) to Marrelli Support Services Inc. ("Marrelli") for Eric Myung, an employee of Marrelli, to act as the CFO of the Company. As at September 30, 2020, Marrelli was owed $1,471 (September 30, 2019 - $nil).

Amounts due to related parties are unsecured, non-interest bearing and due on demand.

7. Unproven mineral right interests

	September 30, 2020 ($)	September 30, 2019 ($)
Labrador Properties		
Acquisition	**1,174,952**	1,174,952
Deferred exploration	**4,311,730**	4,260,378
	5,486,682	5,435,330
Borden Lake Property		
Acquisition	**314,185**	314,185
Deferred exploration	**612,209**	602,176
	926,394	916,361
Kingsway Property		
Acquisition	**465,800**	-
Deferred exploration	**474,400**	-
	940,200	-
	7,353,276	6,351,691

7. Unproven mineral right interests (continued)

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

Labrador Properties

On September 5, 2017, the Company entered into a Letter of Intent ("LOI") that grants the Company the option to earn a 100% interest in the Ashuanipi, Nain and Hopedale properties, located in Labrador (the "Labrador Properties"). To exercise the option, the terms of which were amended December 7, 2020, the Company must complete the following:

- On receipt of TSX-V approval: payment of $75,000 and issuance of 450,000 shares in respect of each of the three Labrador Properties (completed);
- On or before September 5, 2018: payment of $100,000 and issuance of 300,000 shares in respect of each property (completed with the payment of $200,000 and issuance of 600,000 shares on the Ashuanipi and Hopedale properties, as the Company dropped its option on the Nain property);
- On or before September 5, 2019: payment of $75,000 and issuance of 175,000 shares in respect of the Ashuanipi property and payment of $150,000 and issuance of 350,000 shares in respect of the Hopedale property (paid and issued);
- On or before September 5, 2020: payment of $50,000 and issuance of 400,000 shares in respect of each of the Ashuanipi and Hopedale properties (completed with the payment of $100,000 and issuance of 800,000 shares on the Ashuanipi and Hopedale properties subsequent to September 30, 2020). (See Note 10);
- On or before September 5, 2021: payment of $100,000 and issuance of 675,000 shares in respect of the Ashuanipi property and payment of $100,000 and issuance of 500,000 shares in respect of the Hopedale property;
- On or before September 5, 2022: payment of $150,000 each in respect of each of the Ashuanipi and Hopedale properties; and
- On or before September 5, 2023: payment of $200,000 in respect of the Ashuanipi property and $125,000 in respect of the Hopedale property.

The vendors of the Labrador Properties retain a 2% net smelter return "(NSR") royalty, half of which may be bought back by the Company at any time for $2 million plus $1 per ounce of gold in measured and indicated resources. An advance royalty of $25,000 per annum for each property will be payable starting in 2024.

In January 2018, additional claims contiguous to the Ashuanipi property were staked and are being earned by the Company under the terms of the LOI.

In May 2018, additional claims at the Hopedale property were staked and are being earned by the Company under the terms of the LOI.

Borden Lake Property

The Company has a 100% undivided interest in the Borden Lake Property (the "Borden Lake Property") located near Chapleau Ontario. The 1,598hectare property lies immediately east of, and adjacent to, Newmont Goldcorp's Borden Lake gold project. The original vendors of the Borden Lake Property retain a 2% NSR royalty, half of which may be bought back by the Company for $1 million at any time.

7. Unproven mineral right interests (continued)

Kingsway Property

On March 3, 2020, the Company acquired an option to earn a 100% interest in the Gander Property, subsequently renamed the Kingsway Property ("Kingsway"), near Gander, Newfoundland. To exercise the option, the Company must complete the following:

- As consideration for the option: payment of $250,000 and issuance of 400,000 common shares (paid and issued);
- On or before March 3, 2021: payment of $150,000 cash and issuance of 250,000 common shares;
- On or before March 3, 2022: payment of $150,000 cash and issuance of 300,000 common shares;
- On or before March 3, 2023: payment of $200,000 cash and issuance of 350,000 common shares;
- On or before March 3, 2024: payment of $250,000 cash and issuance of 400,000 common shares;
- On or before March 3, 2025: payment of $250,000 cash and issuance of 300,000 common shares;
- Incur $750,000 in expenditures on each of two licenses ($1.5 million total) over the first four years of the option; and
- Complete additional payments totaling $2.25 million based on exploration expenditures incurred, as follows:
  - $750,000 upon incurring an aggregate of $10 million in expenditures on one of the licenses;
  - $750,000 upon incurring an aggregate of $20 million in expenditures on one of the licenses; and
  - $750,000 upon incurring an aggregate of $30 million in expenditures on one of the licenses

The Company will also grant to the optionor a 1% NSR plus $1 per ounce of gold in the measured and indicated resources for the property. An advance royalty of $50,000 per annum for each property will be payable once the Company exercises the option.

On July 6, 2020, the Company entered into an option agreement to acquire 100% of License 023940M which is strategically positioned between the Kingsway North and South claim blocks.

The Company can earn an initial 75% undivided property interest by completing the following:

- Cash payment of $18,000 (paid) and issuance of 30,000 common shares (issued), within 5 business days of TSXV acceptance of the option agreement;
- Cash payment of $36,000, issuance of 90,000 common shares and incurring $100,000 in property work expenditures on or before the first anniversary of the option agreement;
- Cash payment of $75,000, issuance of 120,000 common shares and incurring an additional $250,000 (cumulative $350,000) in property work expenditures on or before the second anniversary of the option agreement; and
- Cash payment of $90,000, issuance of 150,000 common shares and incurring an additional $650,000 (cumulative $1 million) in property work expenditures on or before the third anniversary of the option agreement.

If the Company exercises the initial 75% option and satisfies all payment requirements, the Company has the option to acquire the remaining 25% interest by making a cash payment of $240,000 and incurring a further $1 million in property work expenditures on or before the fourth anniversary of the option agreement.

If the Company only exercises the option to earn an initial 75% property interest but does not exercise the option to acquire the remaining 25% interests, the parties will form an unincorporated joint venture.

(Expressed in Canadian Dollars)

8. Income tax

The reconciliation of income taxes at statutory rates is as follows:

	2020 ($)	2019 ($)
Loss before income taxes	**(2,048,908)**	(569,597)
Statutory tax rate	**30.00%**	27.00%
Expected income tax (recovery)	**(614,672)**	(153,791)
Changes attributable to:		
Net adjustment for amortization and non-deductible amounts	**391,381**	91,836
Unrecognized benefit of deferred tax assets	**223,291**	61,955
Deferred income tax provision	-	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The components of the Company's unrecognized deductible temporary differences are as follows:

	September 30, 2020 ($)	September 30, 2019 ($)
Non-capital losses	**2,988,000**	2,278,000
Share issue costs	**323,121**	153,343
Unproven mineral interests	**1,760,480**	2,197,381
Capital losses	**1,540,946**	1,540,946
Unrecognized deductible temporary differences	**6,612,547**	6,169,670

(Expressed in Canadian Dollars)

8. Income tax (continued)

As at September 30, 2020, the Company has available, non-capital losses of $2,988,000 (2019 - $2,278,000) for Canadian income tax purposes which may be carried forward to reduce taxable income in future periods. If not utilized, the non-capital losses will expire from 2026 - 2040 as follows:

	($)
2026	294,000
2027	573,000
2028	163,000
2029	79,000
2031	86,000
2032	41,000
2033	60,000
2034	71,000
2035	58,000
2036	60,000
2037	80,000
2038	444,000
2039	270,000
2040	709,000
	2,988,000

9. Supplemental cash flow information

At September 30, 2020, net exploration costs included in amounts payable and accrued liabilities were $74,936 (2019 - $157,418).

During the year ended September 30, 2020, the Company:

- Issued $197,800 in shares for mineral property option payments (2019 - $99,750); and
- Issued $nil in shares issued to settle expenses (2019 - $9,971).

10. Subsequent events

On October 29, 2020, the Company closed a non-brokered private placement of 7,500,000 flow-through units at a price of $0.54 per flow-through unit, for gross proceeds of $4,050,000. Each flow-through unit consists of one flow-through common share and one share purchase warrant, with each warrant exercisable to acquire a common share at $0.60 until October 29, 2022. Palisades Goldcorp Ltd. purchased all of the flow-through units through a donation arrangement. As a result of the flow-through offering, Palisades Goldcorp has become an insider of the Company holding approximately 13.57% of the Company after giving effect to the offering. The Company paid a finder's fee of $180,000 in relation to the offering.

On December 7, 2020, the Company amended the terms of its option for the Labrador Properties, as disclosed in note 7. Subsequent to year end, the Company issued the vendors 400,000 common shares (800,000 total) and paid $50,000 cash ($100,000 total) in respect of each of the Ashuanipi and Hopedale properties.

10. Subsequent events (continued)

On October 8, 2020, the Company granted 450,000 share purchase options exercisable at a price of $0.45 per share until October 8, 2025.

On December 21, 2020, the Company granted 500,000 share purchase options exercisable at a price of $0.45 per share until December 21, 2025.

Subsequent to September 30, 2020, the Company received proceeds of $2,656,173 from the exercise of 8,932,929 warrants.