P2 GOLD INC.

(Formerly Central Timmins Exploration Corp.)

Restated Unaudited Interim Condensed Financial Statements

For the three and nine months ended September 30, 2020 and 2019

P2 GOLD INC.

(Formerly Central Timmins Exploration Corp.)

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying interim condensed financial statements of P2 Gold Inc. (Formerly Central Timmins Exploration Corp.) (the "Company") are the responsibility of management and the Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited interim condensed financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRSs appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Joseph Ovsenek" President, CEO and Director	"Christopher Hopkins" Chief Financial Officer

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the unaudited interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of the Corporation have been prepared by and are the responsibility of the Company's management.

The Corporation's independent auditor has not performed a review of the financial statements for the nine months ending September 30, 2019 in accordance with standards established by the Chartered Professional Accountants of Canada for a review of unaudited interim condensed financial statements by an entity's auditor

(Formerly Central Timmins Exploration Corp.)

Unaudited Interim Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

As at,	***September 30, 2020***	*December 31, 2019*
	Restated – Note 3	
	$	$
Assets		
Current Assets		
Cash *(Note 7)*	**1,223,656**	570,337
Receivables and other assets *(Note 8)*	**132,212**	49,908
	1,355,868	620,245
Non-Current Assets		
Right-of-use asset *(Note 9)*	**-**	44,190
Total Assets	**1,355,868**	664,435
Liabilities		
Current Liabilities		
Trade and other payables *(Notes 10 and 13)*	**213,382**	103,594
Current portion of lease liability *(Note 11)*	**-**	40,532
	213,382	144,126
Non-Current Liabilities		
Lease liabilities *(Note 11)*	**-**	5,551
Total Liabilities	**213,382**	149,677
Shareholders' Equity		
Capital stock *(Note 14)*	**6,959,759**	2,792,644
Warrant reserve *(Note 15)*	**132,268**	131,807
Share-based payment reserve *(Note 14)*	**732,964**	274,856
Deficit	**(6,682,505)**	(2,684,549)
	1,142,486	514,758
Total Liabilities and Shareholders' Equity	**1,355,868**	664,435

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 16)
Subsequent Events (Note 17)

Approved by the Board of Directors

"Julian Kemp"
Director

"Joseph Ovsenek"
Director

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

P2 GOLD INC.

(Formerly Central Timmins Exploration Corp.)

Unaudited Interim Condensed
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three months ending September 30		***Nine months ending September 30***	
	2020	*2019*	***2020***	*2019*
	Restated – Note 3		*Restated – Note 3*	
	$	$	$	$
Administrative Expenses				
Interest Income	**(804)**	(1,762)	**(2,039)**	(8,402)
Professional fees	**74,120**	53,681	**195,471**	187,263
General and administrative	**36,709**	17,206	**80,489**	45,233
Depreciation *(Note 9)*	**3,261**	14,810	**27,855**	34,378
Share-based payments *(Note 14 (d))*	**316,716**	40,768	**458,108**	109,948
Interest expense *(Note 11)*	**42**	2,017	**1,527**	4,760
Shareholder information	**45,337**	4,653	**72,526**	34,414
Investor relations and travel	**21,697**	(8,704)	**39,940**	79,747
Total Administrative Expenses	**(497,078)**	(122,669)	**873,877**	(487,341)
Exploration and evaluation expenditures *(Note 4)*	**(3,131,867)**	(318,694)	**(3,318,701)**	(1,070,278)
Loss on sale of an asset	**-**	-	**(5,378)**	-
Flow-through share premium recovery	**200,000**	106,000	**200,000**	375,000
Net loss and comprehensive loss for the period	**(3,428,945)**	(335,363)	**(3,997,956)**	(1,182,619)
Loss per share - basic and diluted	**$ (0.15)**	$ (0.04)	**$ (0.24)**	$ (0.14)
Weighted average number of shares outstanding – basic and diluted*	**23,595,694**	8,558,331	**16,391,298**	8,558,331

*On January 9, 2020 the Company consolidated its outstanding common shares on a 6:1 basis (note 14 (b)). All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

(Expressed in Canadian Dollars)

P2 GOLD INC.
(Formerly Central Timmins Exploration Corp.)

	Capital Stock		Reserves			
	Number of shares*	Amount *Restated – Note 3*	Share-based payments *Restated – Note 3*	Warrants *Restated – Note 3*	Deficit *Restated – Note 3*	Total
Balance at December 31, 2018	**8,558,331**	**$2,792,644**	**$ 112,776**	**$ 126,962**	**$(1,379,918)**	**$ 1,652,464**
Reserve on issuance of stock options *(Note 14)*	-	-	109,948	-	-	109,948
Net loss and comprehensive loss for the period	-	-	-	-	(1,182,619)	(1,182,619)
Balance at September 30, 2019	**8,558,331**	**$2,792,644**	**$ 222,724**	**$ 126,962**	**$(2,562,537)**	**$ 579,793**
Reserve on issuance of stock options *(Note 14)*	-	-	52,132	-	-	52,132
Reserve on issuance of warrants *(Note 4 and 15)*	-	-	-	4,845	-	4,845
Net loss and comprehensive loss for the period	-	-	-	-	(122,012)	(122,012)
Balance at December 31, 2019	**8,558,331**	**$2,792,644**	**$ 274,856**	**$ 131,807**	**$(2,684,549)**	**$ 514,758**
Private placement *(Note 14)*	16,600,000	4,000,000				4,000,000
Shares issued for property payment *(Note 4)*	800,000	486,000				486,000
Share issuance cost – cash		(79,215)				(79,215)
Share issuance cost – legal		(20,000)				(20,000)
Share issuance cost – filing fees	-	(19,670)	-	-	-	(19,670)
Premium liability on flow-through shares	-	(200,000)	-	-	-	(200,000)
Reserve on issuance of warrants *(Note 4 and 15)*	-	-	-	461	-	461
Reserve on issuance of stock options *(Note 14)*	-	-	458,108	-	-	458,108
Net loss and comprehensive loss for the period	-	-	-	-	(3,997,956)	(3,997,956)
Balance at September 30, 2020	**25,958,331**	**$6,959,759**	**$ 732,964**	**$ 132,268**	**$(6,682,505)**	**$ 1,142,486**

*On January 9, 2020 the Company consolidated its outstanding common shares on a 6:1 basis (note 14 (b)). All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

(Expressed in Canadian Dollars)

Nine months ending September 30	***2020***	*2019*
	Restated – Note 3	
Operating activities	**$**	$
Net loss for the period	**(3,997,956)**	(1,182,619)
Items not involving cash:		
Share-based payments *(Note 14)*	**458,108**	109,948
Shares issued for property option payments	**486,000**	
Depreciation *(Note 9)*	**27,855**	34,378
Interest Expense *(Note 11)*	**1,527**	4,760
Loss on sale of equipment	**5,378**	-
Warrants issued for MOU agreement *(Note 15)*	**461**	-
Flow-through share premium recovery	**(200,000)**	(375,000)
Change in non-cash working capital:		
Receivables and other assets	**(82,304)**	27,261
Trade and other payables	**109,788**	(42,492)
	(3,191,143)	(1,423,764)
Investing activities		
Purchase of equipment	**(30,157)**	-
Proceeds from sale of equipment	**24,779**	-
	(5,378)	-
Financing activities		
Proceeds from private placement, net of share issuance costs	**3,881,115**	-
Lease payments *(Note 11)*	**(31,275)**	(37,425)
	3,849,840	(37,425)
Increase (Decrease) in cash	**653,319**	(1,461,189)
Cash at beginning of period	**570,337**	2,068,312
Cash at end of period	**1,223,656**	607,123

1. NATURE OF OPERATIONS AND GOING CONCERN

P2 Gold Inc. (the "Company" or "P2 Gold") (Formerly Central Timmins Exploration Corp.)) was incorporated on November 10, 2017 under the laws of the *Canada Business Corporations Act*. On August 31, 2020 the Company concurrently changed its name to P2 Gold Inc. and filed Notice of Articles to continue its incorporation under the *Business Corporations Act* (British Columbia).

The Company's common shares commenced trading October 16, 2018 on the TSX Venture Exchange (the "Exchange") under the symbol "CTEC". On August 31, 2020 the Company's trading symbol changed from "CTEC" to "PGLD".

The Company's head office is located at 9th Floor, 1021 West Hastings Street, Vancouver, BC, Canada, V6E 0C3. The Company is a junior mining, exploration and development company engaged in the acquisition, exploration and development of mineral resource properties primarily in the Pacific Northwest of North America. Substantially all of the Company's efforts are devoted to financing and acquiring these properties. There has been no determination whether the Company's interests in mineral properties will contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that future exploration programs will result in profitable mining operations. The Company's continued existence will be dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

During the period, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by Canadian government regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause supply chain disruptions, and staff shortages, all of which may negatively impact the Company's business and financial condition.

These interim condensed financial statements have been prepared using international financial reporting standards that are applicable to a going concern

As at September 30, 2020, the Company had working capital of $1,142,486 (December 31, 2019 - $476,119), had not yet achieved profitable operations, had accumulated losses of $6,682,505 (December 31, 2019 - $2,684,549) and expects to incur future losses in the development of its business. During the nine months ending September 30,2020 the Company spent $3,210,813 (2019 - $1,423,764) in operating activities.

The Company will require substantial additional funds to explore and, if warranted, develop its acquired exploration properties. The Company has limited financial resources and no current source of revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. Failure to obtain such additional financing could result in the delay or indefinite postponement of future exploration and property development. The terms of any additional financing obtained by the Company could result in significant dilution to the shareholders of the Company. These factors and the Company's financial position indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern

These interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

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2. BASIS OF PREPARATION

On January 9, 2020 the Company consolidated its outstanding common shares on a 6:1 basis (note 14 (b)). Prior to the consolidation, the Corporation had 51,350,000 common shares issued and outstanding. Upon completion of the share consolidation, the number of post-consolidation common shares issued and outstanding was 8,558,331 (on a non-diluted basis). All references to the number of shares, options and warrants and per share amounts have been retroactively restated to reflect the consolidation.

2.1 Statement of compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim condensed financial statements were authorized for issuance by the Board of Directors of the Company on December 2, 2020.

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in Note 3 of the Company's annual audited financial statements for the year ended December 31, 2019. In addition, these unaudited interim condensed financial statements have been prepared using the accrual basis of accounting except for cash flow information. Management advises readers of these unaudited interim condensed financial statements to review the audited financial statements and accompanying notes for the year ended December 31, 2019 in conjunction with the review of these statements.

The financial statements are presented in Canadian Dollars, which is also the functional currency of the Company.

2.3 Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. The accounting policy judgements and estimates are consistent with those disclosed in the 2019 annual financial statements.

3. CORRECTION OF ERRORS

The interim condensed financial statements for the three and nine months ended September 30, 2020 and have been restated to amend the following items relating to the three and nine months ended September 30, 2020:

a) A flow through premium liability of $200,000 has been recorded on the issuance of flow-through common shares in the July 2020 private placement due to the existence of an observable premium between concurrent flow-through and non-flow-through offerings. This flow through premium liability was then reversed as the related exploration funds were spent during the third quarter and reflected in the statement of loss and comprehensive loss as 'flow through share premium recovery. The attribution of value between the shares and warrants issued as part of the non-flow through units in the July 2020 private placement has also been revised.
b) Share-based compensation expense for the three and nine months ended September 30, 2020 has been adjusted by $185,914 from $272,194 to $458,108 to correct an error in the determination of the expense based on the vesting provisions of awards granted in the period.

(Expressed in Canadian Dollars)

3. CORRECTION OF ERRORS (continued)

c) Basic and diluted loss per share has been updated to reflect the adjustments to loss for the period arising from the items noted in (a) and (b) above along with an error in the determination of the weighted average number of common shares outstanding for the three and nine months ended September 30, 2020.

As a result of the above noted changes net loss for the three months ended September 30, 2020 decreased from $3,526,962 to $3,428,945 and basic and diluted loss per share remained unchanged at $0.15 per share. For the nine months ended September 30, 2020, net loss decreased from $4,031,712 to $3,997,957 and basic and diluted loss per share decreased from $0.25 per share to $0.24 per share.

There was no impact on total assets, total liabilities or total shareholders' equity at September 30, 2020.

4. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures of the Company are detailed as follows:

	Three months ended September 30		***Nine months ended September 30***	
	2020	2019	***2020***	*2019*
	$	$	**$**	$
Silver Reef Property	**1,274,049**	-	**1,367,812**	-
BAM Property	**479,036**	-	**479,036**	-
Todd Creek Property	**889,894**	-	**889,894**	-
Stockade Property	**284,381**	-	**284,381**	-
Lost Cabin Property	**201,307**	-	**201,307**	-
Timmins Project	**3,200**	318,694	**96,271**	1,070,278
Exploration and evaluation costs	**3,131,867**	318,694	**3,318,701**	1,070,278

	Three months ended September 30		***Nine months ended September 30***	
	2020	*2019*	***2020***	*2019*
Acquisition costs	**$ 757,495**	$ 3,490	**$ 841,269**	$ 30,413
Assays	**76,242**	20,700	**76,242-**	42,468
Drilling	**646,466**	113,073	**646,466**	475,491
Geophysical and MMI Surveys	**347,304**	83,764	**353,274**	199,101
Helicopters	**941,880**	**-**	**941,880**	**-**
Assessment reports	**7,650**	**-**	**22,005**	**-**
Technical Report (NI 43-101)	**39,274**	-	**45,224**	-
Consulting	**194,963**	50,561	**247,263**	175,986
Other exploration and evaluation expenditures	**120,593**	47,106	**145,078**	146,819
	$ 3,131,867	$ 318,694	**$ 3,318,701**	$ 1,070,278

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Silver Reef Property

On June 11, 2020 the Company announced the signing of an option agreement with an arm's length private vendor to acquire up to a 100% interest in the Silver Reef Property located in northwest British Columbia, subject to regulatory approval.

Under the terms of the Option Agreement, the Company can acquire up to a 70% interest in Silver Reef over a three-year option period by paying to the vendor:

1. $50,000 (paid) and 200,000 shares (issued) in its capital on the signing of the agreement
2. $200,000 and 200,000 shares in its capital on the first anniversary of the agreement; and
3. $500,000 and 800,000 shares in its capital on the second anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of $250,000 before the first anniversary of the agreement (completed), $750,000 of cumulative exploration expenditures by the second anniversary of the agreement (completed) and $2 million of cumulative exploration expenditures by the third anniversary of the agreement. Following exercise of the option, the Company has the right for a period of 120 days to acquire the remaining 30% interest in Silver Reef, for a 100% total interest, on payment of $7.5 million of which up to $4 million may be paid in shares of the Company at its election. If the Company elects to not purchase the remaining 30% interest, the Company and the vendor shall form a joint venture, with the Company appointed the operator. During the first three years of the joint venture, the Company will fund the vendor's participating interest in the joint venture. If the vendor fails to sell its interest in the joint venture during such three-year period, the vendor's interest will convert to a 3% net smelter returns royalty, provided that the Company will have the opportunity to purchase the vendor's interest prior to such conversion for $7.5 million.

BAM Property

On July 2,2020, the Company announced the signing of an option agreement with an arm's length private vendor to acquire up to a 100% interest in the BAM property, located within the Golden Triangle in northwest British Columbia.

Under the terms of the BAM Option Agreement, the Company can acquire up to a 70% interest in the BAM Property over a three-year option period by paying to the vendor:

1. $60,000 (paid) and 200,000 common shares (issued) in its capital on the signing of the agreement;
2. $150,000 and 200,000 common shares in its capital on the first anniversary of the agreement;
3. $200,000 and 200,000 common shares in its capital on the second anniversary of the agreement; and
4. $550,000 and 800,000 common shares in its capital on the third anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of $150,000 before the first anniversary of the agreement (completed), $400,000 of cumulative exploration expenditures by the second anniversary of the agreement (completed) and $750,000 of cumulative exploration expenditures by the third anniversary of the agreement. Following exercise of the option, the Company has the right for a period of 120 days to acquire the remaining 30% interest in the BAM Property, for a 100% total interest, on payment of $7.5 million of which up to $4 million may be paid in common shares of the Company at its election. If the Company elects to not purchase the remaining 30% interest, the Company and the vendor shall form a joint venture, with the Company appointed the operator.

During the first three years of the joint venture, the Company will fund the vendor's participating interest in the joint venture. If the vendor fails to sell its interest in the joint venture during such three-year period, the vendor's interest will convert to a 2% net smelter returns royalty (“NSR"), provided that the Company will have the opportunity to purchase the vendor's interest prior to such conversion for $7.5 million. Following the conversion of the vendor's interest to the BAM NSR, the Company may purchase 1% of the NSR for $2,000,000 (inflation adjusted from 2020).

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

BAM Property (continued)

The vendor has also agreed to assign to the Company two claims that form part of the BAM Property for $40,000 and a 2% NSR, 100% of which can be purchased by the Company for $1,125,000 prior to commercial production on such claims and 1% of which can be purchased for $300,000 (inflation adjusted from 2020) after commercial production is achieved on such claims

Todd Creek Property

On July 9, 2020, the Company announced the signing of an option agreement with ArcWest Exploration Inc, an arm's length TSX Venture Exchange listed company, to acquire up to a 70% interest in the Todd Creek property, located within the Golden Triangle in northwest British Columbia.

Under the terms of the Todd Creek Option Agreement, the Company can acquire (the "First Option") up to a 51% interest in the Todd Creek Property over a five-year option period by paying to ArcWest:

1. $100,000 (paid) and 200,000 common shares (issued) in its capital on the signing of the Todd Creek Option Agreement;
2. $150,000 on the first anniversary of the agreement;
3. $200,000 on the second anniversary of the agreement;
4. $200,000 on the third anniversary of the agreement;
5. $250,000 on the fourth anniversary of the agreement; and
6. $250,000 on the fifth anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of $500,000 before the first anniversary of the agreement (with a minimum of 1,000 meters of drilling) (completed), $3,000,000 of cumulative exploration expenditures by the second anniversary of the agreement, $6,500,000 of cumulative exploration expenditures by the third anniversary of the agreement, $10,000,000 of cumulative exploration expenditures by the fourth anniversary of the agreement and $15,000,000 of cumulative exploration expenditures by the fifth anniversary of the agreement.

Following exercise of the First Option, the Company has the right for a period of 60 days to acquire (the "Second Option") an additional 19% interest in the Todd Creek Property, for a 70% total interest, by completing a feasibility study within three years of the exercise of the First Option and paying to ArcWest $250,000 on each anniversary of the exercise of the First Option until the feasibility study is completed. ArcWest has the right, at its election, to receive any payment from the Company as cash, common shares in the Company's capital, or a combination of 50% cash and 50% common shares in the Company's capital. If ArcWest elects to receive any payment in common shares in the Company's capital, the common shares will be priced at the Company's 30-day volume weighted average price.

On exercise of the Second Option (or the First Option, if the Company does not elect to increase its interest to 19%), the Company and ArcWest will form a joint venture, with the Company appointed the operator. Until commercial production is achieved on the Todd Creek Property, the Company will fund the first $100,000 of joint venture expenditures. If either party's joint venture interest is diluted to less than 10%, its joint venture interest will convert to a 2% net smelter returns royalty, one percent of which may be purchased by the other party for $5,000,000 at any time. If a production decision is made by the joint venture to place the property into production, the Company will arrange project financing for the joint venture, the repayment of which shall be made out of cash flows from the property in priority to distributions to the joint venture participants.

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Stockade Property

On July 10, 2020, the Company announced the signing of a mineral lease and option agreement with Bull Mountain Resources LLC, an arm's length private company, to lease a 100% interest in the Stockade property located in southeastern Oregon.

Under the terms of the Stockade Option Agreement, the Company has the right to use the Stockade Property for exploration and mining for a minimum of 50 years provided it continues to make the following preproduction payments:

1. US$20,000 (paid) and 100,000 common shares (issued) in the capital of the Company on signing the agreement;
2. US$10,000 six-months after the Effective Date;
3. US$10,000 12-months after the Effective Date;
4. US$15,000 18-months after the Effective Date;
5. US$15,000 24-months after the Effective Date; and
6. US$25,000 30-months after the Effective Date and every six months thereafter.

The term of the Stockade Option Agreement may continue after 50 years provided active mining operations are being conducted on the Stockade Property.
To maintain the option, the Company is also required to incur minimum work expenditures on the Stockade Property of US$30,000 in the first year (completed) and a minimum of 2,000 meters of drilling in the second year. On achievement of production on the property, a production royalty of 2% of net smelter returns is payable on claims owned by BMR and 0.5% of net smelter returns is payable on third party claims and claims acquired within the area of influence, provided that a minimum production royalty of US$25,000 is payable quarterly. On payment to BMR of US$10,000,000 in any combination of preproduction payments, production royalties and minimum royalties, the production royalty on claims owned by BMR reduces to 1% and on third-party claims and claims acquired within the area of influence to 0.25%.

Lost Cabin Property

On September 10, 2020, the Company announced the signing of a mineral lease and option agreement with La Cuesta International, Inc., an arm's length private company, to lease a 100% interest in the Lost Cabin property located in south central Oregon.

Under the terms of the Lost Cabin Option Agreement, the Company has the right to use the Lost Cabin Property for exploration and mining for a minimum of 50 years provided it continues to make the following preproduction payments:

1. US$5,000 (paid) and 100,000 common shares (issued) in the capital of the Company on signing the agreement;
2. US$5,000 six-months after the Effective Date;
3. US$10,000 12-months after the Effective Date;
4. US$10,000 18-months after the Effective Date;
5. US$15,000 24-months after the Effective Date; and
6. US$20,000 30-months after the Effective Date and every six months thereafter.

The term of the Lost Cabin Option Agreement may continue after 50 years provided active mining operations are being conducted on the Lost Cabin Property.

To maintain the option, the Company is also required to incur minimum work expenditures on the Lost Cabin Property of US$30,000 in the first year and a minimum of 2,000 meters of drilling in the second year. On achievement of production on the property, a production royalty of 2% of net smelter returns is payable on claims owned by La Cuesta and 0.5% of net smelter returns is payable on third party claims and claims acquired within the area of influence, provided that a minimum production royalty of US$25,000 is payable quarterly. On payment to La Cuesta of US$10,000,000 in any combination of preproduction payments, production royalties and minimum royalties, the production royalty on claims owned by La Cuesta reduces to 1% and on third-party claims and claims acquired within the area of influence to 0.25%.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Timmins Project

As at September 30, 2020, CTEC had a total of 653.5 (December 31, 2019 – 653.5) claim units in the Porcupine Mining District ("The Timmins Area Project"), of which 77 (December 31, 2019 – 77) are patented claims included in the Dayton Agreement, the Racetrack Agreement and the Goldstone Agreement, and 576.5 (December 31, 2019 – 576.5) are unpatented claim units.

As at September 30, 2020 and December 31, 2019, the Company held the following unpatented claim units:

As at,	**September 30, 2020**	December 31, 2019
	# of Claims Units	# of Claims Units
Deloro Township	**39.5**	39.5
Ogden Township	**58**	58
Mountjoy Township	**167**	167
Godfrey Township	**41.5**	41.5
Jamieson Township	**9**	9
Jessop Township	**6**	6
Price Township	**3.5**	3.5
Robb Township	**50**	50
Turnbull Township	**69**	69
Bonar Township	**109**	109
Cote Township	**6**	6
Massey Township	**1**	1
Bristol Township	**2**	2
Whitesides Township	**15**	15
	576.5	576.5

On March 20, 2018, the Company entered into a memorandum of understanding (the "MOU") with the Matachewan First Nation and Mattagami First Nation (collectively, the "First Nations") pursuant to which the Company and the First Nations signaled their intent to engage in negotiations toward an impact benefit agreement (an "IBA") regarding the Timmins Project. Pursuant to the terms of the MOU, the Company has agreed to pay to the First Nations an amount equal to 2% of all costs of the Phase I exploration on the Timmins Project up to the date of the agreement and annually thereafter. The total amount incurred for the year for these costs was $nil (December 31, 2019 - $17,781). In addition, an aggregate of 16,666 common shares and 16,666 common share purchase warrants ("Warrants") to be issued the date the Company's common shares are listed on the TSX Venture Exchange (completed). The Warrants shall be exercisable into common shares at a price of $0.60 per common share for a period of five (5) years following the Closing Date, subject to vesting terms by which 25% vest on the date of issuance and the remaining vest equally over a period of eighteen months from the date of issuance. On October 16, 2018 both the 16,666 common shares and the 16,666 common share purchase warrants were issued.

The fair value of these respective warrants has been determined using the Black-Scholes valuation model based on a share price of $0.60, exercise price of $0.60, life expectancy of 5 years, volatility of 172.06%, risk free interest rate of 2.40% and a dividend yield of $nil. The total fair value of these warrants was $9,489 for which $4611 (December 31, 2019 -$4,845) was included in exploration and evaluation expenditures as at September 30, 2020 period end.

4. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Timmins Project (continued)

On April 24, 2018, the Company entered into a Mining Claim Acquisition Agreement with Goldstone Resources Inc. ("Goldstone"), to acquire 100 per cent interest in 24 mining claims and 90 per cent interest in 2 additional claims all located in Deloro Township, Ontario ("Faymar Property"). Upon closing, the total consideration payable to Goldstone was $20,000 which was paid by the issuance of 33,333 common shares of CTEC at a value of $0.60 per share on October 16, 2018. Various claims are subject to a net smelter returns royalty of 0.2%.

On December 29, 2018 the Company entered into a definitive agreement with Goldcorp Canada Limited and Goldcorp Inc. (the "Porcupine Joint Venture") for the sale of certain of the Company's non-core mineral claims (the "Claims") to the Porcupine Joint Venture for aggregate proceeds of $258,624. The Claims consist of nine patented mineral claims in Deloro Township, Timmins, Ontario with a total area of approximately 327 acres. The sale transaction was completed on November 4, 2019. The company recorded a $258,845 gain from the sale of the property in the statements of loss and comprehensive loss during the year ending December 31, 2019.

On April 30, 2019, the Company entered into a Mining Option Agreement to acquire 3 patented claims in Mountjoy Township, south of Timmins for 100% ownership of both the patented surface rights and patented mining rights, subject to an aggregate total 2% Net Smelter Royalty ("NSR"); on the following terms and conditions:

1. Payment of $50,000.00 as follows:
   - (i) $6,000.00 on execution of this agreement; (paid)
   - (ii) $2,000.00 on the first anniversary of the date of this agreement;
   - (iii) $2,000.00 on the second anniversary of the date of this agreement;
   - (iv) $2,000.00 on the third anniversary of the date of this agreement; and
   - (v) $38,000.00 on the fourth anniversary of the date of this agreement.

2. Expenditures a total of $40,000.00 on exploration work on the Mineral Patents as follows:
   - (i) the sum of $10,000.00 in the first twelve month period after the execution of this agreement; (completed)
   - (ii) the sum of $10,000.00 in the twelve month period after the first anniversary of the execution of this agreement; (completed)
   - (iii) the sum of $10,000.00 in the twelve month period after the second anniversary of the execution of this agreement; and(completed)
   - (iv) the sum of $10,000.00 in the twelve month period after the third anniversary of the execution of this agreement; (completed)

The Company has the right at any time to purchase 1% the NSR for a total cash payment of $250,000

On May 19, 2020, the Company elected not to proceed with evaluation of the 3 patented claims in Mountjoy Township and will have no further rights or obligations relating to the claims or future amounts owing under the Mining Option Agreement

With the Company's exploration focus turned to the Pacific Northwest of North America, it has determined that the Timmins claims are non-core and decided to divest the Timmins claims.

5. CAPITAL MANAGEMENT

The Company includes shareholders' equity (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 mineral properties and to ensure it continues as a going concern. 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.

5. CAPITAL MANAGEMENT (continued)

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company has historically relied on equity financing to raise capital and will continue its attempts 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.

6. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL AND OTHER RISK

The Company classifies financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments are exposed to financial and other risks as summarized below:

Fair value

As at September 30, 2020, the carrying value approximates the fair value amounts of the Company's cash and trade and other payables.

Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which are held by a Canadian chartered bank, and management believes the risk of loss is remote. The Company has not experienced any significant collection issues to September 30, 2020.

The Company's maximum exposure to credit risk as at September 30, 2020 and 2019 is the carrying value of cash.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL AND OTHER RISK (continued)

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due and ensuring an adequate supply of funds to enable the Company to carry out its intended programs. As at September 30, 2020, the Company had a cash balance of $1,223,656 (December 31, 2019 - $570,337) to settle current liabilities of $213,382 (December 31, 2019 -$144,126) subject to normal trade terms.

As at September 30, 2020, the Company had working capital of $1,142,486 (December 31, 2019 - $476,119). In order to meet its longer-term working capital needs and property exploration expenditures, the Company intends on securing additional financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may experience dilution. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of, or eliminate one or more of its exploration activities or relinquish some or all of its rights to certain of its interests in mineral properties. (see Note 1)

7. CASH

The cash balance at September 30, 2020 consists of $1,223,656 (December 31, 2019 - $570,337) on deposit with a major Canadian bank.

During the period ending September 30, 2019, the Company raised $1,200,000 (December 31, 2019 – $nil) in flow-through common share financing which, under the terms of the flow-through financings, these funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian Income Tax Act. As at September 30, 2020, $nil (December 31, 2019 – $nil) of the Company's cash balance is required for this purpose.

8. RECEIVABLES AND OTHER ASSETS

The Company's receivables and other assets arise from two main sources: 1) prepaid expenses and 2) harmonized sales tax ("HST") receivable from government taxation authorities. These are broken down as follows:

As at	**September 30, 2020**	**December 31, 2019**
Prepaid expenses	**$ 6,302**	**$ 15,083**
HST receivable	**125,910**	**34,825**
Total receivables and other assets	**$ 132,212**	**$ 49,908**

(Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSET

Balance December 31, 2018	**$**	**-**
IFRS 16 – right-of-use asset recognition at January 1, 2019		61,964
Depreciation		(19,568)
Balance, September 30, 2019		42,396
Additions		30,157
Depreciation		(28,363)
Balance, December 31, 2019	**$**	**44,190**
Disposals		(16,335)
Depreciation		(27,855)
Balance, September 30, 2020	**$**	**-**

Right-of-use assets consist of the lease for the Company's office and a vehicle lease. They are amortized over a period of 19 months and 24 months respectively. During the period ending September 30, 2020, the Company disposed of its leased truck and paid the balance remaining on the related lease obligation.

Maturity Analysis – Contractual Undiscounted Cash Flows

As at		**September 30, 2020**		December 31, 2019
Less than one year	**$**	**-**	$	41,478
Greater than one year		**-**		6,958
Total undiscounted lease obligation	**$**	**-**	$	48,436

10. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration acquisition activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

As at		**September 30, 2020**		December 31, 2019
Less than 1 month	**$**	**200,681**	$	80,709
Over 3 months		**12,701**		22,885
Total trade and other payables	**$**	**213,382**	$	103,594

11. LEASE LIABILITY

On April 1, 2018, the Company entered into a 28-month sublease lease agreement to lease an office. The lease payments are $3,540 per month from the commencement date of the lease. During the period ending September 30, 2020, the Company paid the balance remaining on the related lease obligation.

On May 31, 2019, the Company entered into a 24-month lease agreement to lease a vehicle. The lease payments are $1,391 per month from the commencement date of the lease. During the period ending September 30, 2020, the Company disposed of its leased truck and paid the balance remaining on the related lease obligation.

(Expressed in Canadian Dollars)

11. LEASE LIABILITY (continued)

The Company has recorded these leases as right-of-use assets (note 9) and lease liability in the statements of financial position as at September 30, 2020. At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. Effective interest rate is 10.25%. The continuity of the lease liability is presented in the table below:

	Office and Vehicle Lease
Balance, December 31, 2018	**$ -**
IFRS 16 – right-of-use asset recognition at January 1, 2019	61,964
Additions	30,157
Interest expense	6,181
Lease payments	(52,219)
Balance, December 31, 2019	**$ 46,083**
Interest expense	1,527
Disposals	(16,335)
Lease payments	(31,275)
Balance, September 30, 2020	**$ -**

	Under 1 year	Between 1-2 years	Between 3-4 years	Over 5 years	Total
Office and Vehicle Lease	$ -	$ -	$ -	$ -	$ -

The Company applied IFRS 16 on a modified retrospective basis. As at January 1, 2019, the Company recognized a right of use asset and lease liability for an office lease on adoption of IFRS 16.

12. KEY MANAGEMENT COMPENSATION

The remuneration of directors and other members of key management personnel during the three months and nine months ended September 30, 2020 and 2019 were as follows:

	For three months ended September 30,		***For nine months ended September 30,***	
	2020	2019	**2020**	2019
	$	$	**$**	$
Management and consulting fees	**10,000**	36,000	**72,000**	106,000
Exploration and evaluation expenditures	**-**	18,000	**18,000**	54,000
Share-based compensation	**316,716**	40,768	**458,108**	109,948

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in Canadian Dollars)

13. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

As at September 30, 2020, the trade and other payables balance includes related party amounts of $21,121 (December 31, 2019 - $8,204). The related parties are directors and officers of the Company, an individual who is related to the former President and CEO of the Company and entities over which executive management and directors have control or significant influence. The amounts are for services rendered during the year and arose as a result of transactions entered into with the related parties in the ordinary course of business.

On April 1, 2018, the Company entered into an agreement with a consultant related to the former President and Chief Executive Officer to perform services for a term of 2 years for $6,000 per month. The term of the agreement ended on March 31, 2020 and was not renewed.

On May 24, 2018, the Company entered into an agreement with the former President and Chief Executive Officer to perform services that will commence on the date of the public offering for a term of 3 years for $10,000 per month. On April 16, 2020 Charles Gryba resigned as a director and President and Chief Executive Officer of P2 Gold, however, he will continue his relationship with the Company as a technical consultant.

14. CAPITAL STOCK

(a) Authorized

As at September 30, 2020, the Company's authorized number of common shares was unlimited and without par value.

b) Share consolidation

On January 9, 2020, the Company consolidated the share capital on the basis of one new share for every six old shares. All references to the number of shares, options, and warrants and per share amounts have been retroactively restated to reflect the consolidation. Any fractional common share resulting from the Share Consolidation will be rounded down to the nearest whole number and any such fractional interest will be cancelled without consideration.

Prior to the consolidation, the Corporation had 51,350,000 common shares issued and outstanding. Upon completion of the Share Consolidation, the number of post-consolidation common shares issued and outstanding was 8,558,331 (on a non-diluted basis).

The share consolidation was approved by the TSX Venture Exchange on January 14, 2020, and the common shares started trading on the TSX Venture Exchange on a consolidated basis on the TSX Venture Exchange at the opening of trading on January 14, 2020.

(c) Issued

	Number of Shares		Amount
Balance at December 31, 2019	**8,558,331**	**$**	**2,792,644**
Private placement	16,600,000		4,000,000
Shares issued for property (Note 3)	800,000		486,000
Share issue costs - cash	-		(79,215)
Share issue costs - legal	-		(20,000)
Share issue costs – filing fees	-		(19,670)
Premium liability on flow-through shares			(200,000)
Balance at September 30, 2020	**25,958,331**	**$**	**6,959,759**

*On January 9, 2020 the Company consolidated its outstanding common shares on a 6:1 basis (note 13 (b)). All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

14. CAPITAL STOCK (continued)

(c) Issued (continued)

On April 16, 2020 the Company closed of a non-brokered private placement for aggregate gross proceeds of $500,000 (the "Offering"). The Offering consisted of the sale of 10,000,000 common shares of the Company (the "Shares") at a price of $0.05 per Share for aggregate gross proceeds of $500,000. All securities issued pursuant to the Offering were subject to a four month hold period under applicable securities laws, expiring on August 16, 2020.

On July 28, 2020 the Company announced the closing of a non-brokered private placement for gross proceeds of $3.5 million. In closing the private placement, the Company issued 4.6 million non-flow-through units (the "Units") of the Company at a price of $0.50 per Unit for gross proceeds of $2.3 million and 2.0 million flow through common shares (the "FT Shares") in the capital of the Company at a price of $0.60 per FT Share for gross proceeds of $1.2 million. Each Unit consists of one non-flow-through common share in the capital of the Company and one non-flow-through common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional non-flow-through common share in the capital of the Company at an exercise price of $0.75 per common share for a period of two years from the date of issue (the "Expiry Time"), provided that, if after four months from the date of issue, the closing price of the common shares of the Company on the Exchange is equal to or greater than $1.25 for a period of 10 consecutive trading days at any time prior to the Expiry Time, the Company will have the right to accelerate the Expiry Time of the Warrants by giving notice to the holders of the Warrants by news release or other form of notice permitted by the certificate representing the Warrants that the Warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than 15 days from the date notice is given. The gross proceeds of the offering of FT Shares will be used to fund exploration expenditures on the Silver Reef Property, BAM Property, Todd Creek Property and other Canadian Exploration Expenses that will qualify as "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act (Canada), and "BC flow-through mining expenditures", as defined in the Income Tax Act (British Columbia). The proceeds of the offering of Units will be used to fund exploration expenditures and for general corporate purposes. In connection with the private placement, the Company paid finder's fees of $79,215. All securities issued pursuant to the private placement are subject to a four-month hold period. For the nine month period ended September 30, 2020, the Company recognized a $200,000 as a flowthrough premium liability on issuance in connection with the private placements described above. The Company recognized an amount of $200,000, in relation to flow-through private placements and has recorded the gain as income tax recovery.

On August 7, 2020 the Company issued 200,000 common shares of the Company as per the Silver Reef Property Option Agreement with a fair value of $0.63 per share. (Note 3).

On August 7, 2020 the Company issued 200,000 common shares of the Company as per the BAM Property Option Agreement with a fair value of $0.63 per share. (Note 3).

On August 7, 2020 the Company issued 200,000 common shares of the Company as per the Todd Creek Property Option Agreement with a fair value of $0.63 per share. (Note 3).

On September 10 2020 the Company issued 100,000 common shares of the Company as per the Stockade Property Option Agreement with a fair value of $0.53 per share. (Note 3).

On September 14, 2020 the Company issued 100,000 common shares of the Company as per the Lost Cabin Property Option Agreement with a fair value of $0.55 per share. (Note 3).

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (continued)

(d) Stock Options – Stock Option Plan

The Company maintains a stock option plan (the "Stock Option Plan") which was ratified and approved by the shareholders of the Company on August 12, 2020. The Stock Option Plan is a "rolling" plan under which up to 10% of the issued and outstanding common shares of the Company from time to time, subject to adjustment in certain circumstances, may be issued.

In the event that no specific determination is made by the Board with respect to any of the following matters, the period during which an option shall be exercisable shall be five years from the date of grant except those options issued to persons of consultants employed in Investor Relation activities shall vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. Options granted during the period ending September 30, 2020 are exercisable two years from the date of grant.

The purpose of the Stock Option Plan is to develop the interest of bona fide officers, directors, employees, management company employees, and consultants of the Company in the growth and development of the Company by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Company.

All outstanding options have been expensed as share-based payments in the period in which they vested. As at September 30, 2020, 2,459,999 (December 31, 2019 – 799,999) options were outstanding and have a weighted average exercise price of $0.495 (December 31, 2019 – $0.527) per option.

A summary of stock options issued and outstanding is as follows:

As at	**September 30, 2020**		December 31, 2019	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period/year	**$ 0.527**	**799,999**	$ 0.60	566,666
Transactions during the period/year:				
Expired	**(0.57)**	**(125,000)**	0.30	208,333
Granted	**0.34**	**585,000**		
Granted	**0.30**	**200,000**	0.60	25,000
Granted	**0.61**	**900,000**	-	-
Granted	**0.60**	**100,000**	-	-
Outstanding at end of period/year	**0.495**	**2,459,999**	0.527	799,999
Exercisable at end of period/year	**$ 0.495**	**944,400**	$ 0.527	341,667

The following common share purchase options are outstanding as at September 30, 2020:

Date of Grant	Number of Options Outstanding	Exercise Price ($)	Weighted Average remaining life (years)	Expiry Date
October 16, 2018	491,666	0.60	3.04	October 16, 2023
July 2, 2019	183,333	0.30	3.76	July 2, 2024
May 14, 2020	585,000	0.34	1.62	May 14, 2022
June 9, 2020	200,000	0.30	1.68	June 9, 2022
August 14,2020	900,000	0.61	1.87	August 14,2022
August 18,2020	100,000	0.60	1.88	August 18,2022
	2,459,999	**0.495**	**2.17**	

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (continued)

(d) Stock Options – Stock Option Plan (continued)

On April 5, 2019, the Company issued 25,000 stock options to a consultant and service provider of the Company at an exercise price of $0.60 expiring April 5, 2024. The Options granted are to vest as follows: (i) 25% vesting on the date of issuance; (ii) 25% vesting one (1) year following the date of issuance; (iii) 25% vesting two (2) years following the date of issuance; and (iv) 25% vesting three (3) years following the date of issuance.

On July 2, 2019, the Company issued 208,333 stock options to certain directors, officers, consultants and service providers of the Company at an exercise price of $0.30 expiring July 2, 2024. The Options granted are to vest as follows: (i) 25% vesting on the date of issuance; (ii) 25% vesting one (1) year following the date of issuance; (iii) 25% vesting two (2) years following the date of issuance; and (iv) 25% vesting three (3) years following the date of issuance.

On May 14, 2020, the Company issued 585,000 stock options to certain directors, officers, consultants and service providers of the Company at an exercise price of $0.34 expiring May 14, 2022. The Options granted are to vest as follows: (i) 34% vesting on the date of issuance; (ii) 33% vesting six (6) months following the date of issuance; and (iii) 33% vesting one (1) years following the date of issuance.

On June 9, 2020, the Company issued 200,000 stock options to certain consultants and service providers of the Company at an exercise price of $0.30 expiring June 9, 2022. The Options granted are to vest as follows: (i) 34% vesting on the date of issuance; (ii) 33% vesting six (6) months following the date of issuance; and (iii) 33% vesting one (1) years following the date of issuance.

On June 30, 2020 a total of 125,000 stock options expired at a weighted average price of $0.57.

On August 12, 2020, the Company issued 900,000 stock options to certain directors, consultants and service providers of the Company at an exercise price of $0.61 expiring August 12, 2022. The Options granted are to vest as follows: (i) 34% vesting on the date of issuance; (ii) 33% vesting six (6) months following the date of issuance; and (iii) 33% vesting one (1) years following the date of issuance.

On August 18, 2020, the Company issued 100,000 stock options to certain consultants and service providers of the Company at an exercise price of $0.60 expiring August 18, 2022. The Options granted are to vest as follows: (i) 34% vesting on the date of issuance; (ii) 33% vesting six (6) months following the date of issuance; and (iii) 33% vesting one (1) years following the date of issuance.

The following table summarizes the assumptions used with the Black-Scholes valuation model for stock options issued and outstanding as at September 30, 2020:

Grant date	**October 16, 2018**	**October 17, 2018**	**April 5, 2019**	**July 2, 2019**	**May 14, 2020**	**June 9, 2020**	**August 14, 2020**	**August 18, 2020**
No. of options	533,333	33,333	25,000	208,333	585,000	200,000	900,000	100,000
Exercise price	$ 0.60	$ 0.72	$ 0.60	$ 0.30	$ 0.34	$ 0.30	$ 0.61	$ 0.60
Expected life in years	5	5	5	5	2	2	2	2
Volatility	172.40%	172.40%	187.33%	177.37%	237.25%	234.75%	216.59%	216.59%
Risk-free interest rate	2.40%	2.41%	1.61%	1.42%	0.32%	0.39%	0.33%	0.30%
Dividend yield	-	-	-	-	-	-	-	-
Forfeiture rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grant date share price	$0.60	$0.72	$0.48	$0.24	$0.34	$0.21	$0.60	$0.63
Fair value of options granted	$ 303,777	$ 22,784	$ 11,534	$ 47,449	$ 180,379	$ 31,172	$ 471,821	$ 55,236

(Expressed in Canadian Dollars)

14. CAPITAL STOCK (continued)

(d) Stock Options – Stock Option Plan (continued)

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of the Company. In the prior year, volatility was based on comparable companies. Changes in the underlying assumptions can materially affect the fair value estimates. For the nine months ended September 30, 2020, share-based payments expense totaled $272,194 (December 31, 2019 – $162,080).

15. WARRANT RESERVE

A summary of the changes in the Company's reserve for warrants is set out below:

As at	**September 30, 2020**	**Number of Warrants**	December 31, 2019	Number of Warrants
Outstanding at beginning of period/year	**$ 131,807**	**301,249**	$ 126,962	301,249
Transactions during the period/year				
Fair value of warrants issued - MOU	**461**	**-**	4,845	-
Fair value of broker's warrants issued	**-**	**-**	-	-
Expired	**-**	**-**	-	-
Outstanding at end of period/year	**$ 132,268**	**4,901,249**	$ 131,807	301,249

The weighted average exercise price per warrant of the outstanding warrants as at September 30, 2020 was $0.713 (December 31, 2019 - $0.60).

The following table summarizes the assumptions used with the Black-Scholes valuation model for warrants issued and outstanding as at September 30, 2020:

Grant date	October 16, 2018	October 16, 2018	November 16, 2018
No. of warrants	258,333	16,666	26,250
Exercise price	$ 0.60	$ 0.60	$ 0.60
Expected life in years	2	5	2
Volatility	148.99%	172.06%	149.67%
Risk-free interest rate	2.30%	2.40%	2.22%
Grant date share price	0.60	0.60	0.63
Dividend yield	-	-	-
Fair value of warrants	$ 110,810	$ 9,489	$ 11,969

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

Broker warrants issued to non-employees were valued using the fair value of the equity instrument granted in the absence of a reliable estimate of the fair value of the goods or services received.

On October 16, 2018, the Company issued 16,666 warrants of the Company at an exercise price of $0.60 expiring 5 years from the date the Company's common shares are listed on the TSX Venture Exchange pursuant to MOU agreement with the Matachewan First Nation and Mattagami First Nation dated March 20, 2018.

(Expressed in Canadian Dollars)

15. WARRANT RESERVE (continued)

These warrants are to vest as follows: (i) 25% vesting on the date the Company's common shares are listed on the TSX Venture Exchange; (ii) 25% vesting six (6) months following the date the Company's common shares are listed on the TSX Venture Exchange; (iii) 25% vesting twelve (12) months following the date the Company's common shares are listed on the TSX Venture Exchange; and (iv) 25% vesting eighteen (18) months following the date the Company's common shares are listed on the TSX Venture Exchange.(See Note 3) As at September 30, 2020, 16,666 (December 31, 2019 – 8,333) of these warrants are exercisable and $461 (December 31, 2019 - $4,845) of the fair value was included in exploration and evaluation expenditures.

16. COMMITMENTS AND CONTINGENCIES

The Company is committed to monthly payments under the terms of management and consulting contracts. The aggregate remaining payments per year are as follows:

2020	$	48,000
2021	$	67,000

17. SUBSEQUENT EVENTS

On November 18, 2020 the Company announced the closing of the previously announce Private Placement. In closing the Private Placement, the Company issued 3.56 million units (the "Units") of the Company at a price of $0.40 per Unit for gross proceeds of $1.424 million. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share in the capital of the Company at an exercise price of $0.65 per common share for a period of two years from the date of issue (the "Expiry Time"), provided that, if after four months from the date of issue, the closing price of the common shares of the Company on the Exchange is equal to or greater than $1.00 for a period of 10 consecutive trading days at any time prior to the Expiry Time, the Company will have the right to accelerate the Expiry Time of the Warrants by giving notice to the holders of the Warrants by news release or other form of notice permitted by the certificate representing the Warrants that the Warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than 15 days from the date notice is given.

The proceeds of the Private Placement will be used to fund exploration expenditures and for general corporate purposes. In connection with the Private Placement, the Company paid finder's fees of an aggregate of $19,080 to Haywood Securities Inc. and Canaccord Genuity Corp., representing 6% of the proceeds raised from subscriptions by certain placees.

The Private Placement is subject to final TSX Venture Exchange approval, and all securities issued pursuant to the Private Placement will be subject to a four-month hold period. The securities offered pursuant to the Private Placement have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.