AU GOLD CORP.

(formerly Schooner Capital Corporation)

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended December 31, 2020 and 2019

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NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

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

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

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	December 31, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS			
Current			
Cash		$ 2,173,545	$ 30,178
Receivables		12,733	4,932
Prepaid expenses		7,500	-
		2,193,779	35,110
Non-current			
Exploration and evaluation assets	5	351,575	188,724
		$ 2,545,354	$ 223,834
LIABILITIES			
Current			
Trade and other payables	8	$ 384,019	$ 105,202
Shareholder's loan	8	-	39,625
		384,019	144,827
SHAREHOLDER'S EQUITY			
Common shares	6	2,731,406	89,079
Reserves	6	34,106	-
Deficit		(604,177)	(10,072)
		2,161,335	79,007
		$ 2,545,354	$ 223,834

Nature of Operations and Going Concern (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on February 11, 2021. They are signed on the Company's behalf by:

"Mark T. Brown"	***"Scott Trebilcock"***
Mark T. Brown, Director	Scott Trebilcock, Director

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, expressed in Canadian dollars)

	Note	For the three months ended December 31 2020	For the three months ended December 31 2019	For the nine months ended December 31 2020	For the nine months ended December 31 2019
Administrative expenses					
Accounting and audit		$ 44,227	$ -	$ 48,408	$ -
Bank charges		243	36	337	88
Filing and transfer agent fee		38,905	-	38,905	-
Legal		117,427	1,853	123,677	6,513
Listing expense	4	351,424	-	351,424	-
Marketing and shareholders communication		981	417	981	417
Office and miscellaneous		474	129	474	359
Stock-based compensation		29,900	-	29,900	-
		583,582	2,435	594,107	7,376
Other Items					
Interest income		1	-	1	-
		1	-	1	-
Net loss before income taxes		583,580	2,435	594,105	7,376
Total comprehensive loss for the period		$ 583,580	$ 2,435	$ 594,105	$ 7,376
Basic and diluted loss per share		$ 0.04	$ 0.00	$ 0.05	$ 0.00
Weighted average number of common shares outstanding		15,165,211	7,578,948	12,107,227	6,412,073

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

		Common Shares		Reserves				
	Note	Number of common shares	Amount	Equity-settled employee benefits	Finder's warrants	Total	Deficit	Total shareholder's equity
Balance as at March 15, 2019		-	$ -	$ -	$ -	$ -	$ -	$ -
Shares issued upon incorporation	6	1	-	-	-	-	-	-
Private placement - common shares	6	5,000,000	50,000	-	-	-	-	50,000
Private placement - flow-through shares	6	2,250,000	45,000	-	-	-	-	45,000
Property option payment	5, 6	328,947	6,579	-	-	-	-	6,579
Net loss and comprehensive loss		-	-	-	-	-	(7,376)	(7,376)
Balance as at December 31, 2019 (Unaudited)		7,578,948	101,579	-	-	-	(7,376)	94,203
Private placement - flow-through recovery		-	(12,500)	-	-	-	-	(12,500)
Net loss and comprehensive loss		-	-	-	-	-	(2,696)	(2,696)
Balance as at March 31, 2020 (Audited)		7,578,948	89,079	-	-	-	(10,072)	79,007
Shares issued for debt	6	5,396,064	109,851	-	-	-	-	109,851
Property option payment	5, 6	336,635	16,832	-	-	-	-	16,832
Consolidation of Ponderosa's common shares	4	(6,655,823)	-	-	-	-	-	-
Shares issued pursuant to QT with Ponderosa	4	4,750,000	475,000	-	-	-	-	475,000
Private placement - common shares	6	11,000,000	1,100,000	-	-	-	-	1,100,000
Private placement - flow-through shares	6	10,000,000	1,000,000	-	-	-	-	1,000,000
Share issue costs	6	-	(109,356)	-	4,206	4,206	-	(105,150)
Property option payment	5, 6	500,000	50,000	-	-	-	-	50,000
Share-based payments	6	-	-	29,900	-	29,900	-	29,900
Net loss and comprehensive loss		-	-	-	-	-	(594,105)	(594,105)
Balance as at December 31, 2020 (Unaudited)		**32,905,824**	**$ 2,731,406**	**$ 29,900**	**$ 4,206**	**$ 34,106**	**$ (604,177)**	**$ 2,161,334**

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; expressed in Canadian dollars)

	Note	For the nine months ended December 31 2020	2019
Cash provided by (used for):			
Operating activities			
Net loss		$ (594,105)	$ (7,376)
Items not involving cash:			
Share-based compensation		29,900	-
Listing expense		351,424	-
Changes in non-cash working capital items:			
Receivables		(7,538)	(285)
Prepaid expenses		(7,500)	-
Trade and other payables		328,316	88
Shareholder's loan		3,414	3,414
Cash (used in) provided by operating activities		103,911	(4,160)
Investing activities			
Cash from qualifying transaction		174,016	-
Exploration and evaluation assets	4	(71,019)	(69,227)
Cash (used in) provided by investing activities		102,997	(69,227)
Financing activities			
Proceeds from issuance of common shares	5	2,100,000	95,000
Shares issue costs		(105,150)	-
Shareholder's loan	7	(58,391)	10,499
Cash provided by financing activities		1,936,459	105,499
Net change in cash		2,143,367	32,112
Cash - beginning of the period		30,178	-
Cash - end of the period		$ 2,173,545	$ 32,112
Supplemental disclosure with respect to cash flows:			
Common shares issued pursuant to settlement of accounts payable and shareholder's loan		$ 109,851	

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

(Unaudited; expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Au Gold Corp. (formerly Schooner Capital Corporation) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 7, 2017 as a Capital Pool Corporation defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company’s registered office is 10th floor, 595 Howe Street, Vancouver, BC V6C 2T5.

On December 21, 2020, the Company completed the share exchange transaction with Ponderosa Exploration Ltd. (“Ponderosa”; formerly 1201361 B.C. Ltd.) (Note 4) which constituted the Company’s QT. Ponderosa was incorporated under the Business Corporations Act (British Columbia) on March 15, 2019 and its principal business focus is the exploration and development of gold and mineral prospects in Canada. Upon completion of the QT, the Company began trading under its new name on the Exchange with the symbol “AUGC”.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statement of financial position. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

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

The Company had the following deficit and working capital (deficiency):

	December 31, 2020	March 31, 2020
Deficit	$ (604,177)	$ (10,072)
Working capital (deficiency)	$ 1,809,760	$ (109,717)

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company’s most recent annual financial statements for the year ended March 31, 2020.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended March 31, 2020. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended December 31, 2020 are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

New adopted accounting policies

Share-based payment transactions

The Company's stock option plan allows the Company's employees and consultants to acquire shares of the Company through the exercise of granted stock options. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when such individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where finders' warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to reserves and as a share issue cost.

When warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

4. QUALIFYING TRANSACTION

On October 27, 2020, Ponderosa and Schooner Capital Corporation ("Schooner") entered into a Share Exchange Agreement, which sets out the principal terms upon which Schooner would acquire all of the issued and outstanding securities of Ponderosa. The transaction would allow Ponderosa to obtain a public listing by completing a reverse take-over transaction whereby Ponderosa, substantively and for accounting purposes, was considered to be the acquiring and the continuing entity. Schooner, after giving effect to the completion of the transaction, was referred herein as the resulting issuer. On closing of the transaction, the resulting issuer would change its name to Au Gold Corp., trading under the symbol AUGC on the TSX Venture Exchange ("TSXV").

Schooner would issue a total of 7,155,824 shares to the shareholders of Ponderosa to satisfy the purchase price and these shares would include the 336,635 common shares that were required to be issued pursuant to the DEX Option Agreement (see Note 5) and the 500,000 common shares that were required to be issued pursuant to the EAB Option Agreement (see Note 5). With this transaction, Ponderosa would effectively be consolidated its common shares on a two for one basis.

On December 22, 2020, Schooner announced that it had completed the share exchange transaction with Ponderosa. Prior to closing of the transaction, Schooner changed its name to "Au Gold Corp." and Ponderosa changed its name to "Ponderosa Exploration Ltd." The common shares of Schooner began trading as a Tier 2 mining issuer on the Exchange, under the stock symbol "AUGC" on December 24, 2020.

In connection with the transaction, Schooner completed a concurrent financing (see Note 6) totaling $2,100,000.

Upon completion of the transaction and the closing of the concurrent financing, the resulting issuer has 32,905,824 shares issued and outstanding.

Accordingly, the Company has accounted for the acquisition as a reverse takeover, and no goodwill or intangible asset representing the stock exchange listing has been recorded. Therefore, for accounting purposes, Ponderosa, the legal subsidiary, has been treated as the accounting acquirer, and Schooner, the legal parent, has been treated as the accounting acquiree in these consolidated financial statements.

As Ponderosa was deemed to be the acquirer for accounting purposes, Schooner's assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Schooner's results of operations have been included from December 22, 2020, the date of completion of the acquisition.

The QT is being accounted for as a capital transaction in which Ponderosa is being identified as the acquirer of Schooner and equity consideration is being measured at fair value. The QT does not constitute a business combination under IFRS 3. The QT is accounted for in the consolidated financial statements of the resulting issuer as a continuation of the consolidated financial statements of Ponderosa, subject to a deemed issuance of shares and re-capitalization of the resulting issuer's equity. The acquisition of Schooner is accounted for as 4,750,000 common shares deemed issued at $0.10 per share to acquire the net identifiable assets of Schooner. This $475,000 equity consideration is allocated to Schooner's net identifiable assets and liabilities with the residual accounted for listing expenses.

For the purposes of accounting for the reverse takeover, the percentage of ownership of the pre-acquisition shareholders of Schooner in the combined entity upon completion of the acquisition was determined to be 14.4% (which represents 4,750,000 common shares out of a total of 32,905,824 common shares of the Company outstanding upon closing of the QT).

4. **QUALIFYING TRANSACTION**, (Continued)

The total purchase price of $475,000 has been allocated as follows:

Fair value of consideration - purchase price	$ 475,000
Identifiable net assets of Schooner acquired by Ponderosa	
Cash	174,016
Other current assets	264
Trade and other payables	(50,704)
Total fair value of identifiable net assets acquired by Ponderosa	123,576
Listing expenses	$ 351,424

(Unaudited; expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

Ponderosa Property

The Ponderosa property comprises four claims which have been optioned from two separate parties on different terms. The claims are contiguous and the agreements are summarized below.

EAB Option Agreement
On April 5, 2019, the Company entered into an option agreement to earn a 100% interest in 3 claims near Merritt, British Columbia (the "EAB Option Agreement") which forms part of the Ponderosa Property. To earn the 100% interest, the Company is to pay, in aggregate, a total of $100,000 and issue 500,000 common shares to the optionors and complete exploration work over a four-year period, as follows:

	Cash		Shares	Cumulative Exploration Work Commitments
Date of execution	$ 25,000	Paid	-	-
1st anniversary	25,000	(2)	500,000 (1)	$ 100,000 (3)
2nd anniversary	25,000	(4)	-	-
3rd anniversary	25,000		-	-
5th anniversary	-		-	$ 1,000,000
TOTAL	$ 100,000		500,000	

(1) The Company must be publicly listed and issue the common shares upon getting publicly listed. On April 6, 2020, the Company and the optionors agreed to amend the deadline to October 6, 2020. On October 6, 2020, the Company and the optionors agreed to further amend the deadline. On December 21, 2020, the 500,000 shares were issued upon the completion of the QT.
(2) Paid.
(3) Completed.
(4) Paid subsequent to December 31, 2020.

Following the exercise of the option, the optionors are also entitled to receive an additional 500,000 common shares upon the completion of a NI 43-101 maiden resource report and another 500,000 common shares issued upon the completion of a bankable feasibility study.

Upon commencement of commercial production, the Company will pay the optionors a 2% net smelter royalty ("NSR") where the Company can purchase one-half (1%) of the NSR for $1,000,000.

DEX Option Agreement

On September 6, 2019, the Company entered into an option agreement to earn a 60% interest in one claim near Merritt, British Columbia (the "DEX Option Agreement") which forms part of the Ponderosa Property. To earn the 60% interest, the Company must:

1) Incur $500,000 exploration expenditures by the 3rd anniversary date, including 500 meters of drilling;
2) Issue common shares equal to 5% of the issued and outstanding common shares of the Company on a fully diluted basis on the date of the execution of the agreement (328,947 shares were issued – see Note 6(b));

(Unaudited; expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

3) Issue additional common shares so that the optionor owns 5% of the issued and outstanding common shares of the Company on a fully-diluted basis immediately before the "Liquidity Event", where the Liquidity Event must take place by the 4th anniversary date and such event constitutes the Company becoming publicly-owned by way of a reverse takeover or initial public offering. For clarity, this calculation of additional common shares to the optionor shall not include any common shares issued in direct connection with the Liquidity Event itself, but shall include any common shares of the Company issued in connection with settling any debt obligations of the Company existing at the time of the Liquidity Event. On December 21, 2020, the Company issued 336,635 shares to the optionor to satisfy this condition in connection with the Liquidity Event (see Note 4).

Exploration and Evaluation Assets

	Ponderosa		
	EAB	**DEX**	**Total**
Balance at date of incorporation on March 15, 2019	$ -	$ -	$ -
Additions during the period			
Acquisition costs:			
Option payments	25,000	6,579	31,579
Licence and permits	500	-	500
Exploration expenditures:			
Accommodation, travel and meals	11,802	4,199	16,001
Assays	20,256	-	20,256
Field equipment and tools	2,708	2,504	5,212
Field supplies and maps	2,648	2,774	5,422
Geological consulting	51,956	34,369	86,325
Geophysical	1,832	-	1,832
Safety	572	-	572
Sampling and analysis	9,350	11,675	21,025
	126,624	62,099	188,724
Balance at March 31, 2020	**126,624**	**62,099**	**188,724**
Additions during the period			
Acquisition costs:			
Option payments	75,000	16,832	91,832
Exploration expenditures:			
Accommodation, travel and meals	911	911	1,822
Field equipment and tools	42	42	84
Prospecting and inspection	-	5,000	5,000
Licence and permits	3,000	-	3,000
Envorpnmental Consulting	4,856	4,856	9,712
Geological	9,713	18,526	28,239
Geological consulting	10,547	10,547	21,094
Maps	-	1,706	1,706
Sampling and analysis	52	52	104
Field supplies and maps	129	129	258
	104,250	58,601	162,851
Balance at December 31, 2020	**$ 230,874**	**$ 120,700**	**$ 351,575**

6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

b. Common share issuances

During the period from incorporation on March 15, 2019 to March 31, 2020:

The Company issued 1 common share at $0.001 per share on the date of incorporation.

The Company issued 328,947 common shares with a fair value of $6,579 pursuant to the DEX Option Agreement (see Note 4).

The Company issued 5,000,000 common shares at $0.01 per share for total proceeds of $50,000.

The Company issued a total of 2,250,000 flow-through common shares at $0.02 per share for total proceeds of $45,000. Of these, the Company recognized a deferred premium of $12,500 related to proceeds received in excess of the fair value of the share and attributable to its tax benefit. On the subsequent expenditure of the flow-through funds, this premium has been recognized in income at March 31, 2020.

During the nine months ending December 31, 2020:

The Company settled $9,648 of a shareholder's loan by issuing 385,924 common shares at $0.025 per share prior to the QT (see Note 8).

The Company settled $52,133 due to related party by issuing 2,606,625 common shares at $0.02 per share prior to the QT (see Note 8) and settled another $48,070 in trade and other payables by issuing 2,403,515 common shares at $0.02 per share prior to the QT.

The Company issued 336,635 common shares at a fair value of $0.05 immediately prior to the QT to satisfy the Liquidity Event condition per the DEX Option Agreement (see Note 5); and issued 500,000 common shares at a fair value of $0.10 immediately following the QT to satisfy the EAB Option Agreement (see Note 5).

On December 21, 2020, the Company closed a non-brokered private placement of 10,000,000 flow-through common shares (the "FT Shares") at a price of $0.10 per FT Share (the "FT Financing") and 11,000,000 units (the "Units") at a price of $0.10 per Unit (the "Unit Financing" and together with the FT Financing, the "Concurrent Financing") for aggregate gross proceeds of $2,100,000. The Units are comprised of one Share and one-half of one common share purchase warrant (each full warrant, a "Warrant"). Each Warrant is exercisable to acquire a common share at a price of $0.15 per share for a period of two years expiring on December 21, 2022. Under the residual value approach, no value was assigned to the warrant component of the Units.

In consideration for introducing certain subscribers to the Concurrent Financing, the Company paid cash finder's fees of $105,150, and issued 1,051,500 non-transferrable finder's warrants ("Finder's Warrants") to certain finders. Each Finder's Warrant entitles the holder to acquire one common share at a price of $0.10 for a period of two years expiring on December 21, 2022. The value of the finder's warrants was determined to be $4,206 calculated using the Black-Scholes option pricing model.

(Unaudited; expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)

c. Escrow shares

2,400,000 common shares were placed in escrow in accordance with the escrow agreement dated June 11, 2018, where 10% of the escrowed common shares were released on December 21, 2020 and 15% every six months thereafter. As at December 31, 2020, 2,160,000 common shares were held in escrow.

6,323,033 common shares were placed in escrow in accordance with the escrow agreement dated December 21, 2020, where 10% of the escrowed common shares were released on December 21, 2020 and 15% every six months thereafter. As at December 31, 2020, 5,690,730 common shares were held in escrow.

d. Stock options

Stock option transactions and the number of stock options for the nine months ended December 31, 2020 are summarized as follows:

Expiry date	Exercise price	March 31, 2020	Granted	Exercised	Expired / Cancelled	December 31, 2020
June 27, 2023	$ 0.10	-	475,000	-	-	475,000
December 21, 2025	$ 0.10	-	2,300,000	-	-	2,300,000
Options outstanding		-	2,775,000	-	-	2,775,000
Options exercisable		-	2,775,000	-	-	2,775,000
Weighted average exercise price		$ -	$ 0.10	$ -	$ -	$ 0.10

As at December 31, 2020, the weighted average contractual remaining life of options is 4.55 years. The weighted average fair value of stock options granted during the nine months ended December 31, 2020 was $0.10.

During the nine months, the Company granted 2,300,000 stock options with an exercise price of $0.10 expiring on December 21, 2025 and recognized a fair value of $29,900 as share-based compensation. The 475,000 stock options with an exercise price of $0.10 expiring on June 27, 2023 were already granted by Schooner prior to completing the QT.

The weighted average assumptions used to estimate the fair value of options for the nine months ended December 31, 2020 were as follows:

	2020	2019
Expected dividend yield	0.00%	-
Expected stock price volatility	50.07%	-
Risk-free interest rate	1.27%	-
Forfeiture rate	0.00%	-
Expected life of options	5 years	-

(Unaudited; expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)

e. Warrants

The continuity of warrants for the nine months ended December 31, 2020 is as follows:

Expiry date	Exercise price	March 31, 2020	Issued	Exercised	Expired	December 31, 2020
December 21, 2022	$ 0.15	-	5,500,000	-	-	5,500,000
Warrants outstanding		-	5,500,000	-	-	5,500,000
Weighted average exercise price		$ -	$ 0.15	$ -	$ -	$ 0.15

As at December 31, 2020, the weighted average contractual remaining life of warrants is 1.97 years.

f. Finder's warrants

The continuity of finder's warrants for the nine months ended December 31, 2020 is as follows:

Expiry date	Exercise price	March 31, 2020	Issued	Exercised	Expired	December 31, 2020
December 21, 2022	$ 0.10	-	1,051,500	-	-	1,051,500
Finders' warrants outstanding		-	1,051,500	-	-	1,051,500
Weighted average exercise price		$ -	$ 0.10	$ -	$ -	$ 0.10

As at December 31, 2020, the weighted average contractual remaining life of finder's warrants is 1.97 years.

The weighted average assumptions used to estimate the fair value of finder's warrants for the nine months ended December 31, 2020 were as follows:

	2020	2019
Expected dividend yield	0.00%	-
Expected stock price volatility	47.61%	-
Risk-free interest rate	0.54%	-
Forfeiture rate	0.00%	-
Expected life of options	2 years	-

(Unaudited; expressed in Canadian dollars)

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ending December 31, 2020 was based on the loss attributable to common shareholders of $594,105 (for the nine months ending December 31, 2019 - $7,376) and the weighted average number of common shares outstanding of 12,107,227 (for the nine months ending December 31, 2019 – 6,412,073).

8. SHAREHOLDER'S LOAN AND RELATED PARTY TRANSACTIONS

Marc Blythe, the Chief Executive Officer, was owed $Nil by the Company as at December 31, 2020 (March 31, 2020 - $39,625). This amount was non-interest bearing, unsecured, and had no fixed terms of repayment.

Other Related party transactions and balances:

		For the nine months ended December 31		Amounts payable as at	
Amounts in accounts payable:	Services for:	December 31, 2020	December 31, 2019	December 31, 2020	March 31, 2021
Private company owned by the Chief Executive Officer	Geological consulting and consulting fee	$ 62,194	$ -	$ 63,439	$ -
Private company owned by the Exploration Manager	Geological consulting and consulting fee	21,326	-	22,393	-
Private company controlled by a director of the Company	Accounting and management services	41,926	-	86,203	-
Total		$ 125,447	$ -	$ 172,035	$ -

(Unaudited; expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS

Fair value measurements

		December 31, 2020		March 31, 2020
Financial assets				
Amortized cost				
Cash and cash equivalents	$	2,173,545	$	30,178
Financial liabilities				
Other liabilities, measured at amortized cost				
Accounts payable and accrued liabilities	$	384,019	$	105,202
Shareholder's loan		-		39,625

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

As at December 31, 2020 and March 31, 2020, the Company's financial instruments are comprised of cash and cash equivalents, trade and other payables. The carrying value of cash and cash equivalents, trade and other payables approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities. It is management's opinion that: (i) the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments, and (ii) the fair values of these financial instruments approximate their carrying values unless otherwise noted in these consolidated condensed interim financial statements.

As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

9. FINANCIAL INSTRUMENTS, (Continued)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the balance sheet date. At December 31, 2020, the Company had a working capital of $1,809,760 (March 31, 2020 – deficiency of $109,717) which will provide sufficient capital to meet its short-term financial obligations.

Management of industry risk
The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

10. CAPITAL MANAGEMENT

The Company currently does not produce any revenue and has relied on existing balances of cash and cash equivalents, and capital financing to fund its operations. The Company's current capital consists of equity funding raised through issuances of common shares and a deficit incurred through operations.

The Company relies upon management to manage capital in order to safeguard the Company's ability to continue as a going concern, to pursue the exploration and development of unproven mineral properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company manages its capital structure in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and holdings of cash; and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the nine months ended December 31, 2020.

The Company is not subject to externally imposed capital restrictions.