CYPRESS DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2021

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended March 31, 2021.

CYPRESS DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	March 31, 2021	December 31, 2020
ASSETS		
Current		
Cash and cash equivalents	$ 20,360,390	$ 2,101,554
Marketable securities (Note 4)	21,000	18,000
Receivables and prepaid expenses (Note 5)	290,119	40,356
Due from related party (Note 10)	14,862	18,374
	20,686,371	2,178,284
Reclamation bonds (Note 7)	41,774	41,774
Property, plant and equipment (Note 6)	166,729	-
Exploration and evaluation assets (Note 7)	5,023,443	4,644,707
	$ 25,918,317	$ 6,864,765
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$ 223,990	$ 127,196
Equity		
Capital stock (Note 8)	56,414,559	37,194,666
Subscriptions received in advance	-	16,500
Reserves (Note 9)	5,052,557	4,588,544
Deficit	(35,772,789)	(35,062,141)
	25,694,327	6,737,569
	$ 25,918,317	$ 6,864,765

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved and authorized by the Board on May 28, 2021

"Don Huston" Director — Don Huston

"Jim Pettit" Director — Jim Pettit

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

CYPRESS DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
THREE MONTHS ENDED MARCH 31

	2021	2020
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit	$ 27,487	$ 9,500
Administrative	11,385	10,924
Consulting fees (Note 10)	424,668	95,455
Legal	81,320	7,680
Office and miscellaneous	43,060	8,270
Rent	7,711	8,611
Shareholder communications	60,281	91,247
Telephone	947	847
Transfer agent and filing fees	56,404	4,668
Travel	1,021	3,068
	(714,284)	(240,270)
Interest income	636	920
Unrealized gain on marketable securities (Note 4)	3,000	-
Loss and comprehensive loss for the period	$ (710,648)	$ (239,350)
Basic and diluted loss per common share	$ (0.007)	$ (0.003)
Weighted average number of common shares outstanding - basic and diluted	98,477,000	90,077,001

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

CYPRESS DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
PERIODS ENDED MARCH 31

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (710,648)	$ (239,350)
Items not affecting cash:		
Unrealized gain on marketable securities	(3,000)	-
Changes in non-cash working capital items:		
(Increase) decrease in receivables and prepaid expenses	(249,763)	31,813
(Increase) decrease in due from related parties	3,512	(11,679)
Increase (decrease) in accounts payable and accrued liabilities	(34,437)	(40,612)
Increase (decrease) in due to related party	-	(3,304)
Net cash flows used in operating activities	(994,336)	(263,132)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(294,138)	(148,490)
Property, plant and equipment	(120,095)	-
Net cash flows used in investing activities	(414,233)	(148,490)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of capital stock	21,040,298	-
Share issuance costs	(1,372,893)	-
Net cash flows provided by financing activity	19,667,405	-
Change in cash and cash equivalents during the period	18,258,836	(411,622)
Cash and cash equivalents, beginning of period	2,101,554	1,518,637
Cash and cash equivalents, end of period	$ 20,360,390	$ 1,107,015

Supplemental disclosures with respect to cash flows (Note 11)

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

CYPRESS DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Capital Stock					
	Number	**Amount**	**Reserves**	**Subscriptions received in advance**	**Deficit**	**Total**
Balance, as at December 31, 2020	98,772,470	$37,194,666	$4,588,544	$ 16,500	$ (35,062,141)	$ 6,737,569
Private placement	15,640,000	19,550,000	-	-	-	19,550,000
Options exercised	1,350,000	391,516	(182,041)	-	-	209,475
Warrants exercised	4,889,700	1,300,850	(3,526)	-	-	1,297,324
Share issuance costs	-	(1,372,893)	-	-	-	(1,372,893)
Share issuance costs - finders' warrants	-	(649,580)	649,580	-	-	-
Subscriptions received in advance	-	-	-	(16,500)	-	(16,500)
Loss for the period	-	-	-	-	(710,648)	(710,648)
Balance, as at March 31, 2021	120,652,170	$56,414,559	$5,052,557	$ -	$ (35,772,789)	$25,694,327
Balance, as at December 31, 2019	90,077,001	$34,706,711	$4,690,274	$ -	$ (34,199,200)	$ 5,197,785
Loss for the period	-	-	-	-	(239,350)	(239,350)
Balance, as at March 31, 2020	90,077,001	$34,706,711	$4,690,274	$ -	$ (34,438,550)	$ 4,958,435

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Cypress Development Corp. is a publicly listed exploration company incorporated pursuant to the *Business Corporations Act* (Saskatchewan) on August 23, 1991. The Company together with its subsidiary (collectively referred to as the "Company") is principally engaged in the acquisition, exploration and evaluation of resource properties.

The head office and records office of the Company are located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's financial statements ("consolidated financial statements") are presented in Canadian dollars.

The Company has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Although the Company has incurred losses from inception, the Company has a working capital of $20,462,381 at March 31, 2021. During the current period, the Company issued a total of 15,640,000 units at a price of $1.25 per unit for gross proceeds of $19,550,000. Management has assessed that this working capital and subsequent financing is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these consolidated financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

The 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. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

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.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2020.

2. BASIS OF PREPARATION (cont'd…)

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Critical Accounting Estimates & Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The 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. In management's judgment, the Company's current working capital and subsequent financing are sufficient to support continued operations for a period greater than one year.

iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

v) Share-based payment. The fair value of share-based payment is determined using a Black-Scholes option pricing model. Such option pricing models require the input of subjective assumptions.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Cypress Holdings (Nevada) Ltd., a company incorporated in the United States. All significant inter-company transactions and balances have been eliminated upon consolidation.

Foreign currency translation

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the statement of financial position date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in the consolidated statements of loss and comprehensive loss for the period.

Exploration and evaluation assets

Costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property until the determination of technical feasibility and commercial viability. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets after assessing the property for impairment by comparing the carrying amount to its recoverable amount and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, an impairment is recorded on the property.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. Amortization of leasehold improvements is recognized using the straight-line method over the term of the lease. Equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to items of property and equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Property and equipment (cont'd…)

Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as mining assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized mining assets generally represent costs incurred in developing proved and/or probable reserves and bringing on or enhancing production from such reserves and are accumulated on mineral property or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Capital stock

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provision for environmental rehabilitation (cont'd…)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company records a deferred tax liability and a reduction in capital stock for the estimated tax benefits transferred to shareholders. When the Company renounces flow-through expenditures, a portion of the Company's deferred tax assets that were not recognized in previous years, will be recognized as a recovery of deferred taxes in the statement of loss and comprehensive loss.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

*Financial assets at FVTPL***:** Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The following table shows the classification of the Company's financial assets and liabilities:

Financial instruments	Classification
Cash and cash equivalents	FVTPL
Receivables	Amortized cost
Marketable securities (excluding warrants)	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to/from related party	Amortized cost

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

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

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

(Unaudited - Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

The Company holds securities that have been designated as fair value through profit or loss:

	March 31, 2021	December 31, 2020
Opening balance	$ 18,000	$ 9,000
Unrealized gain	3,000	9,000
Total	$ 21,000	$ 18,000

Marketable securities at March 31, 2021 consist of 600,000 (December 31, 2020 - 600,000) Pasinex Resources Limited shares. (Note 7 – *Gunman Project, Nevada, USA*).

An unrealized gain on marketable securities of $3,000 (December 31, 2020 - $9,000 unrealized loss) was recorded in the condensed consolidated interim financial statements of loss and comprehensive loss during the current period.

5. RECEIVABLES AND PREPAID EXPENSES

The Company's receivables and prepaid expenses arise from two main sources, goods and services tax ("GST") and prepaid expenses. These are broken down as follows:

	March 31, 2021	December 31, 2020
GST receivable	$ 26,886	$ 9,693
Prepayments - insurance	1,372	2,559
Prepayments - other	181,224	28,104
Prepayments - shareholder communications	80,637	-
Total	$ 290,119	$ 40,356

(Unaudited - Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements
Cost	
Balance, December 31, 2019, 2020 and March 31, 2021	$ 19,850
Accumulated depreciation	
Balance, December 31, 2019	$ 19,850
Depreciation	-
Balance, December 31, 2020 and March 31, 2021	$ 19,850
Carrying amounts	
As at December 31, 2020	$ -
As at March 31, 2021	$ -

	Nevada, USA
Pilot plant costs:	
Balance, December 31, 2020	$ -
Incurred during the period	
Equipment	$110,081
Facility rental	37,865
Other	18,783
Balance, March 31, 2021	$ 166,729
Carrying amounts	
As at December 31, 2020	$ -
As at March 31, 2021	$ 166,729

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

March 31, 2021 *(3 months)*	Nevada, USA Total
Acquisition costs:	
Balance, beginning of period	$ 438,092
Option payments received	-
Recovery of costs	-
Balance, end of period	438,092
Exploration costs:	
Incurred during the period	
Accommodation/food	9,820
Advances	31,627
Assaying/sampling	13,455
Consulting	207,782
Dues/fees/permits	42,971
Environmental survey	4,493
Equipment rentals/storage	5,323
Fuel/mileage	12,001
Office/miscellaneous	4,755
Office rent	2,348
Reports	7,602
Staking/line-cutting	1,888
Supplies/maintenance	1,022
Test work and analysis	25,474
Transportation	4,548
Travel/airfare	3,627
	378,736
Balance, beginning of period	4,206,615
Balance, end of period	4,585,351
Total costs	$ 5,023,443

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

December 31, 2020 *(12 months)*	Nevada, USA Total
Acquisition costs:	
Balance, beginning of year	$ 438,092
Option payments received	(19,498)
Recovery of costs	19,498
Balance, end of year	438,092
Exploration costs:	
Incurred during the year	
Accommodation/food	30,495
Advances	8,384
Assaying/sampling	78,625
Consulting	563,060
Dues/fees/permits	104,425
Environmental survey	67,303
Equipment rentals/storage	21,619
Fuel/mileage	28,108
Office/miscellaneous	12,770
Office rent	11,718
Supplies/maintenance	11,993
Test work and analysis	45,553
Transportation	1,422
Travel/airfare	30,786
Wages/contract work	4,578
	1,020,839
Balance, beginning of year	3,185,776
Balance, end of year	4,206,615
Total costs	$ 4,644,707

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; title to all of its properties is in good standing.

USA Claims

Glory Lithium Project, Clayton Valley, Nevada, USA

During fiscal 2016, the Company entered into an option agreement to acquire a 100% interest in the Glory Lithium Project in Clayton Valley, in the state of Nevada, USA. To earn a 100% interest, the Company is required to make US$162,500 in cash payments ($212,357 (US$162,500) paid) and issue 1,100,000 shares of the Company (1,100,000 common shares issued at a fair value of $175,000) over the four year term of the option agreement. The optionor will retain a 3% NSR with the Company having the right to purchase 2% of the NSR for US$1,000,000. After entering into the option agreement, the optionor became a director of the Company (resigned during fiscal 2019).

As at March 31, 2021, the Company incurred $3,905,296 net in exploration expenditures and acquisition costs.

Gunman Project, White Pine Claims, Nevada, USA

The Company has a 100% interest in certain claims located in White Pine County, Nevada, known as the Gunman Project. The project is subject to a 2% net smelter royalty ("NSR").

On December 5, 2017, the Company entered into an option agreement with Pasinex Resources Limited ("Pasinex"), whereby a previous optionee, Silicom Systems Inc., transferred their option to Pasinex to earn up to an 80% interest in the project.

In order to acquire an initial 51% interest in the project, Pasinex was required to issue 600,000 common shares (received) and make cash payments of US$100,000 (received) to the Company and incur exploration expenditures totaling US$1,850,000 over the three year term of the agreement. The Company also granted Pasinex a second option to acquire an additional 29% interest by issuing 200,000 common shares, making a cash payment of US$250,000 and incurring US$1,100,000 in exploration expenditures within one year of satisfying and exercising the first option.

On September 11, 2019 and again on November 27, 2020, the Company and Pasinex amended the agreement, whereby the deadline to acquire the 51% interest was extended to December 31, 2022 and the deadline for acquiring the additional 29% interest was extended to December 31, 2024. As a condition for extending the terms of the agreement, Pasinex shall pay the Company US$15,000 (received) and incur expenditures of US$200,000 by December 31, 2021.

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

USA Claims (cont'd…)

Gunman Project, White Pine Claims, Nevada, USA (cont'd…)

During the year ended December 31, 2019, the Company received 200,000 shares valued at $6,000 (Note 4).

Pasinex is now required to make the following cash payments and share issuances to the Company:

Due Date	Cash Payments	Share Issuances	Expenditure Commitments
To acquire 51%:			
By December 31, 2021	-	-	US$200,000
By December 31, 2022	-	-	US$1,400,000
To acquire an additional 29%:			
By December 31, 2024	US$250,000	200,000	US$1,100,000
Receipt of a feasibility report within 90 days of exercise of the 1st option			
Total	US$250,000	200,000	US$2,700,000

Dean, Clayton Valley, Nevada, USA

In September 2016, the Company entered into an option agreement to acquire a 100% interest in 35 lithium placer claims located in southern Clayton Valley, Nevada, USA. To earn a 100% interest, the Company is required to make US$140,000 in cash payments ($181,946 (US$140,000) paid) and issue 1,050,000 shares of the Company (1,050,000 common shares issued at a fair value of $222,500) over the three year term of the option agreement. The optionor will retain a 3% NSR with the Company having the right to purchase 2% of the NSR for US$1,000,000. As at March 31, 2021, the Company incurred $1,118,147 in acquisition costs and exploration expenditures on the property. After entering into the option agreement, the optionor became a director of the Company (resigned during fiscal 2019).

Reclamation Bonds, Nevada, USA

As at March 31, 2021, the Company held reclamation bonds with respect to the Nevada, USA properties of $41,774 (December 31, 2020 - $41,774).

8. CAPITAL STOCK

Authorized

An unlimited number of common shares without par value.

Private placements

During the current period, the Company entered into the following bought deal offering:

The Company closed its bought deal public offering with PI Financial Corp. ("PI") on March 22, 2021. PI is the sole underwriter and bookrunner pursuant to which the underwriter has purchased, on a bought deal basis pursuant to a short form prospectus, 15,640,000 units of the Company at a price of $1.25 per unit for gross proceeds of $19,550,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for one common share of the Company for a period of 36 months, expiring on March 22, 2024 at an exercise price of $1.75.

The Company issued 938,400 broker warrants exercisable for one common share of the Company, at an exercise price of $1.25, expiring on March 22, 2024.

In connection with the financing, the Company paid a 6% commission in the amount of $1,173,000 and additional issuance costs of $199,893 and issued an aggregate of 938,400 finders' warrants. Each finders' warrant is exercisable into one common share for a period of up to three years at a price of $1.25.

The 938,400 finders' warrants were valued at $649,580 using the Black-Scholes option pricing model using a weighted average estimated life of 3 years, volatility of 88.5495%, dividend rate of 0% and risk free interest rate of 0.48%.

The weighted average fair value of each finders' warrant was $0.692221.

During fiscal 2020, the Company did not participate in any private placements.

9. RESERVES

The Company has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board.

(Unaudited - Expressed in Canadian Dollars)

9. RESERVES (cont'd…)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding and Exercisable, December 31, 2019	16,653,188		0.270	8,004,000		0.170
Additions	-		-	350,000		0.345
Exercised	(6,892,162)		0.279	(1,495,000)		0.154
Expired	(14,058)		0.070	(80,000)		0.220
Outstanding and Exercisable, December 31, 2020	9,746,968	$	0.267	6,779,000	$	0.178
Additions	16,578,400		1.722	-		-
Exercised	(4,889,700)		0.265	(1,350,000)		0.155
Outstanding and Exercisable, March 31, 2021	21,435,668	$	1.392	5,429,000	$	0.184

The following incentive stock options and share purchase warrants were outstanding at March 31, 2021:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	390,000	$ 0.080	April 11, 2021
	659,000	$ 0.105	December 30, 2021
	230,000	$ 0.100	July 18, 2022
	960,000	$ 0.180	October 27, 2022
	1,680,000	$ 0.220	November 2, 2023
	50,000	$ 0.220	November 28, 2023
	1,110,000	$ 0.180	August 13, 2024
	350,000	$ 0.345	August 4, 2025
Warrants:	2,728,888	$ 0.220	August 7, 2021
	2,128,380	$ 0.330	October 26, 2021
	15,640,000	$ 1.750	March 22, 2024
	938,400	$ 1.250	March 22, 2024

Subsequent to March 31, 2021, a total of 25,000 warrants and 390,000 stock options were exercised (Note 15).

(Unaudited - Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

		March 31, 2021		March 31, 2020
		3 months		*3 months*
Charged to profit and loss for consulting fees	$	254,135	$	60,442
Capitalized to exploration and evaluation assets		71,967		29,738
Share-based compensation		-		-
Total expense	$	326,102	$	90,180

Administrative agreement

The Company operates from the premises of a private company owned by a director which provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company.

Consulting agreement

Effective July 2, 2019, the Company made an amendment to a related party's consulting agreement dated January 1, 2018. The consultant shall receive US$7,000 per month consisting of US$4,000 cash and the remaining US$3,000 shall be payable in common shares of the Company or cash, at the option of the consultant. During the periods ended March 31, 2021 and 2020, the Company did not issue any common shares for services.

Included in due from related party at March 31, 2021 is $14,862 (December 31, 2020 - $18,374) due from the private company.

Included in accounts payable at March 31, 2021 is $62,720 (December 31, 2020 - $43,334) due to directors and/or their companies.

(Unaudited - Expressed in Canadian Dollars)

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	March 31, 2021	March 31, 2020
Cash received during the period for interest	$ -	$ 920
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

	March 31, 2021	December 31, 2020
Cash and cash equivalents consist of:		
Cash	$ 18,660,390	$ 401,554
Guaranteed Investment Certificates ("GIC")	1,700,000	1,700,000
	$ 20,360,390	$ 2,101,554

Significant non-cash transactions during the period ended March 31, 2021 were as follows:

a) Incurred exploration and evaluation asset expenditures of $131,232 through accounts payable and accrued liabilities.

b) Granted 938,400 finders' warrants at a fair value of $649,580 pursuant to a buyout agreement.

Significant non-cash transactions during the period ended March 31, 2020 were as follows:

a) Incurred exploration and evaluation asset expenditures of $85,127 through accounts payable and accrued liabilities.

12. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. All of the Company's non-current assets are located in the USA.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted market prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based in valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash and marketable securities are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, due to/from related parties and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at March 31, 2021, the Company had a cash balance of $20,360,390 (December 31, 2020 - $2,101,554) to settle current liabilities of $223,990 (December 31, 2020 - $127,196). All of the Company's financial liabilities are subject to normal trade terms. The Company has a working capital of $20,462,381 at March 31, 2021 and has raised $19,550,000 in gross proceeds during the current period.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash and interest-bearing deposits with banks of $18,659,446 (December 31, 2020 - $401,245) as of March 31, 2021, the Company has $1,700,000 (December 31, 2020 - $1,700,000) in interest-bearing investment-grade guaranteed investment certificates with accrued interest of $944 (December 31, 2020 - $309). A 1% change in interest rates would have an effect of $17,000 (2 December 31, 2020 - $17,000) on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash in US bank accounts of $70,073 (December 31, 2020 - $4,093) as of March 31, 2021, the Company has $135,528 (December 31, 2020 - $93,879) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of $655 (December 31, 2020 - $898) on foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

14. CAPITAL MANAGEMENT

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 and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. SUBSEQUENT EVENTS

Exercise of stock options and warrants

The Company issued 415,000 common shares pursuant to the exercise of 390,000 options and 25,000 warrants and received proceeds of $36,700.

Issue of stock options

On May 3, 2021, the Company issued 750,000 options to Abraham Jonker at an exercise price of $1.25 per option valid for three years and vesting as to 250,000 options on August 31, 2021, 250,000 options on December 31, 2021 and 250,000 options on April 30, 2022.