ENDURO METALS CORPORATION
(FORMERLY CRYSTAL LAKE MINING CORPORATION)

CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

Head Office Address
202 - 1632 Dickson Avenue
Kelowna, BC V1Y 7T2

Registered and Records Office Address
1665 Ellis St #301
Kelowna, British Columbia V1Y 2B3

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Enduro Metals Corporation
(formerly Crystal Lake Mining Corporation)

Opinion

We have audited the accompanying consolidated financial statements of Enduro Metals Corporation (formerly Crystal Lake Mining Corporation) (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that material uncertainties related to events or conditions may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

January 28, 2021

ENDURO METALS CORPORATION
(FORMERLY CRYSTAL LAKE MINING CORPORATION)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
AS AT SEPTEMBER 30,

	2020	2019
ASSETS		
Current		
Cash	$ 6,494,870	$ 135,986
Taxes receivable	144,616	330,550
Prepaids	564,671	214,554
Assets held for sale (Note 15)	-	2,805,000
	7,204,157	3,486,090
Exploration and evaluation assets (Note 3)	15,487,651	11,069,944
Land, building and equipment (Note 4)	-	102,669
Deposit (Note 3)	200,000	200,000
Deferred transaction costs (Note 15)	-	27,500
	$ 22,891,808	$ 14,886,203
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 1,474,202	$ 4,394,430
Due to related parties (Note 9)	388,580	99,022
Loans payable (Note 6)	-	263,791
Liabilities held for sale (Note 15)	-	305,000
	1,862,782	5,062,243
Flow-through premium liability	-	4,486
Loan payable – long term (Note 6)	40,000	-
	1,902,782	5,066,729
Shareholders' equity		
Share capital (Note 8)	47,349,515	34,825,664
Share subscriptions receivable (Note 8)	(21,330)	(14,000)
Equity reserves (Note 8)	4,462,037	3,740,307
Accumulated deficit	(30,801,196)	(28,732,497)
	20,989,026	9,819,474
	$ 22,891,808	$ 14,886,203

Nature and continuance of operations (Note 1)
Subsequent events (Note 17)

On behalf of the Board:

"Susanne Hermans" Director *"Cole Evans"* Director

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

ENDURO METALS CORPORATION
(FORMERLY CRYSTAL LAKE MINING CORPORATION)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars
FOR THE YEARS ENDED SEPTEMBER 30,

	2020	2019
EXPENSES		
Amortization (Note 4)	$ 18,257	$ 10,084
Consulting and promotion	820,703	1,594,253
Directors fees (Note 9)	-	24,996
General, rent and administrative	91,721	200,022
Interest expenses	16,169	-
Interest on loan payable (Note 6)	-	32,102
Interest on mortgage payable (Note 6)	24,682	29,618
Interest on right of use assets (Note 5)	5,942	-
Loss on disposal of assets/liabilities held for sale (Note 15)	128,816	-
Gain on settlement of debt	-	(10,114)
Gain on sale of land, building, and equipment (Note 6)	(200,030)	-
Management fees (Note 9)	336,880	332,426
Office and miscellaneous	175,399	416,205
Professional fees	344,622	203,452
Property investigation	-	15,025
Regulatory and filing fees	11,481	51,147
Other income on reversal of flow-through premium (Note 8)	(383,976)	(233,079)
Salaries and benefits	1,793	2,306
Share-based compensation (Note 8 and 9)	531,014	776,077
Transfer agent fees	17,601	22,518
Travel and promotion	259,578	673,100
Realized loss on marketable securities (Note 7)	-	85,000
Write-off of accounts payable	(305,625)	(70,084)
Write-off of receivables (Note 9)	17,309	-
Write-off of exploration and evaluation assets (Note 3)	143,201	5,514,071
Write-down of land, building, and equipment (Notes 4 and 5)	13,162	155,290
Loss and comprehensive loss for the year	$ (2,068,699)	$ (9,824,415)
Basic and diluted loss per common share	$ (0.01)	$ (0.11)
Weighted average number of common shares Outstanding – basic and diluted	149,290,600	88,919,256

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

Expressed in Canadian Dollars

	Number of shares	Share capital	Share subscriptions receivable	Equity reserves	Equity component of convertible loans	Accumlated deficit	Total equity
September 30, 2018	**72,446,618**	**$ 24,587,270**	**$ (5,430)**	**$ 2,717,288**	**$ 7,836**	**$ (18,908,082)**	**$ 8,398,882**
Private placements	30,236,626	7,768,690	(14,000)	309,740	-	-	8,064,430
Share issuance costs	-	(111,989)	-	-	-	-	(111,989)
Exercise of options	518,334	155,500	-	-	-	-	155,500
Exercise of warrants	3,689,755	996,089	5,430	-	-	-	1,001,519
Fair value of exercise of options	-	100,470	-	(100,470)	-	-	-
Fair value of exercise of warrants	-	5,819	-	(5,819)	-	-	-
Warrants issued as finders' fees	-	(43,491)	-	43,491	-	-	-
Flow-through share premium	-	(237,565)	-	-	-	-	(237,565)
Shares issued for mineral properties	4,000,000	1,080,000	-	-	-	-	1,080,000
Share-based compensation	-	-	-	776,077	-	-	776,077
Shares issued for debt settlement	1,615,734	524,871	-	-	(7,836)	-	517,035
Loss for the year	-	-	-	-	-	(9,824,415)	(9,824,415)
September 30, 2019	112,507,067	34,825,664	(14,000)	3,740,307	-	(28,732,497)	9,819,474
Private placements	80,961,759	15,049,100	(7,330)	-	-	-	15,041,770
Share issuance costs	-	(418,961)	-	-	-	-	(418,961)
Exercise of warrants	6,294,050	974,980	-	(11,062)	-	-	963,918
Warrants issued as finders' fees	-	(201,778)	-	201,778	-	-	-
Flow-through share premium	-	(379,490)	-	-	-	-	(379,490)
Plan of arrangement	-	(2,500,000)	-	-	-	-	(2,500,000)
Shares to be returned	400,000	-	-	-	-	-	-
Share-based compensation	-	-	-	531,014	-	-	531,014
Loss for the year	-	-	-	-	-	(2,068,699)	(2,068,699)
September 30, 2020	**200,162,876**	**$ 47,349,515**	**$ (21,330)**	**$ 4,462,037**	**$ -**	**$ (30,801,196)**	**$ 20,989,026**

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

ENDURO METALS CORPORATION
(FORMERLY CRYSTAL LAKE MINING CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
FOR THE YEARS ENDED SEPTEMBER 30

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,068,699)	$ (9,824,415)
Item not affecting cash:		
Amortization	18,257	10,084
Interest on loans payable	-	32,102
Interest on mortgage payable	24,682	29,618
Interest on right of use assets	5,942	-
Accretion of interest	16,169	-
Gain on settlement of debt	-	(10,114)
Loss on disposal of assets/liabilities held for sale	128,816	-
Gain on sale of land, building, and equipment	(200,030)	-
Share-based compensation	531,014	776,077
Other income on reversal of flow-through premium	(383,976)	(233,079)
Realized loss on marketable securities	-	85,000
Write-off of accounts payable	(305,625)	(70,084)
Write-off of exploration and evaluation assets	143,201	5,514,071
Write-down of land, building, and equipment	13,162	155,290
Write-off of receivable	17,309	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	185,934	(307,846)
Increase in prepaids	(363,822)	(121,290)
Increase (decrease) in accounts payable and accrued liabilities	(398,314)	1,391,564
Decrease in due to related parties	(225,527)	(52,820)
Net cash used in operating activities	(2,861,507)	(2,625,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	15,049,505	8,064,430
Proceeds from the exercise of options	-	155,500
Proceeds from the exercise of warrants	956,183	1,001,519
Proceeds from special warrants – Sassy	-	250,000
Subscription received in advance – Sassy	-	17,500
Share issuance costs	(418,961)	(111,989)
Loan received (repayment)	40,000	(6,930)
Repayment on mortgage liability	(4,937)	(27,150)
Net cash provided by financing activities	15,621,790	9,342,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(6,383,201)	(6,935,540)
Additions to land, buildings, and equipment	(2,780)	-
Deposit	-	(200,000)
Deferred transaction costs	-	(27,500)
Marketable securities	-	90,000
Lease obligation payments	(15,418)	-
Net cash used in investing activities	(6,401,399)	(7,073,040)
Change in cash for the year	6,358,884	(356,002)
Cash held in assets held for sale	-	(45,253)
Cash, beginning of year	135,986	537,241
Cash, end of year	$ 6,494,870	$ 135,986
Cash paid during the year for interest	$ 5,942	$ 27,150
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Enduro Metals Corporation (formerly Crystal Lake Mining Corporation) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange ("TSX-V") under the symbol ENDR. The Company is currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company's head office is 202 - 1632 Dickson Avenue, Kelowna, BC, V1Y 7T2, Canada.

On June 25, 2019, the Company entered into an arrangement agreement with its former wholly-owned subsidiary, Sassy Resources Corp. ("Sassy"). The Company transferred its Northwest Ontario nickel exploration assets to Sassy, and its LOI, to acquire the Foremore claims, by way of a plan of arrangement pursuant to the Business Corporations Act of British Columbia (Note 15).

These audited consolidated financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The operations of the Company were primarily funded by the issuance of capital stock and proceeds from loans payable.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its business.

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. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These audited consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The policies applied in the consolidated financial statements are presented below as of January 28, 2021, the date the Board of Directors approved the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Principles of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned dormant Mexican subsidiary Minera Sierra Gioc SA and its wholly owned United States subsidiary Sierra Iron Ore USA. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant inter-company transactions and balances have been eliminated upon consolidation.

On October 4, 2019, the Company's effective interest in Sassy was diluted to 0.00013% and was further diluted on November 20, 2019 to 0.00011%. As a result, on October 4, 2019, the Company deconsolidated its interest in Sassy (Notes 14 & 15)

Estimates, judgments and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

Exploration and evaluation assets valuation

At each reporting period, the Company reviews its non-current assets to determine whether there are any indications of impairment. Calculating the estimated recoverable amount of the cash generating unit for non-current asset impairment tests requires management to make estimates and assumptions with respect to estimated recoverable reserves, estimated future commodity prices, the expected future operating and capital costs and discount rates. Changes in any of these assumptions or estimates used in determining the recoverable amount could impact the impairment analysis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Estimates, judgments and assumptions (cont'd…)

Significant Estimates

Share-based compensation

Share-based compensation is determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

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.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

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 exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets 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.

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 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.

Decommissioning and restoration provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets 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.

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 period. As at September 30, 2020 and 2019, the Company had no decommissioning or restoration obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Land, building and equipment

Land, building and equipment is recorded at cost and amortized using the declining balance method at the following rates per annum.

Computer equipment	55% to 100% per annum
Furniture and equipment	20% per annum
Machinery and equipment	30% per annum
Vehicles	30% per annum
Building	4% per annum

Land, building and equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Current year additions are amortized at half of the normal rate. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of land, building 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.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss at the same time the qualifying expenditures are made.

Share-based compensation

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant measured using the Black-Scholes option pricing model and charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based compensation (cont'd…)

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. If the options expire unexercised, the share-based payments remain in share-based payment reserve.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories. Those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

The classification and measurement bases of the Company's financial instruments are as follows:

	IFRS 9 Classification
Cash	FVTP
Taxes receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the expected credit loss has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at September 30, 2020.

The Company is required to disclose the inputs used in fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

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.

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 is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Leases

Under IFRS 16 Leases ("IFRS 16"), the Company assesses whether a contract to rent an item of property and equipment is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset (within property and equipment) and a lease liability at the commencement date.

Pursuant to the IFRS 16 lessee accounting model, the right-of-use asset is initially measured at cost, which includes the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimates of costs to remove or dismantle the underlying asset or to restore the underlying asset or site on which the asset is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid as of the lease commencement date, discounted using the rate implicit in the lease or, if the implicit rate cannot be readily determined, the Company's incremental borrowing rate.

The measurement of lease liabilities includes the following types of lease payments:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as of the commencement date;
- Amounts expected to be payable under any residual value guarantees; and
- Exercise price for options that the Company is reasonably certain to exercise for an extension or option to buy, and penalties for early termination of a lease unless the Company is reasonably certain that it will not terminate the lease early. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is remeasured in the following circumstances:

- If there is a change in the future lease payments resulting from a change in index or rate;
- If there is a change in the Company's estimation of the amount expected to be payable under a residual value guarantee; and
- If the Company changes its assessment of whether it will exercise an option to purchase, extend or terminate.

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases that have a term of 12 months or less and for low-value assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirements.

An impairment loss is recognized for any initial or subsequent write-down of the disposal group to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of a disposal group, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the disposal group is recognized at the date of derecognition.

Non-current assets, including those that are part of a disposal group, are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Newly adopted accounting policies

Effective October 1, 2019, the Company adopted the following accounting policies:

IFRS 16 - In 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), replacing IAS 17, Leases and related interpretations. The standard introduces a single on- statement of financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 became effective for the Company on October 1, 2019, and is to be applied retrospectively. IFRS 16 resulted in an increase in assets and liabilities as fewer leases will be expensed as payments are made. This also increases depreciation and interest expenses. Cash used in financing activities increases as the principal portion of lease payments are recorded as financing outflows in the Company's consolidated statement of cash flow.

The most significant effect of the new standard will be the lessee's recognition of the initial present value of unavoidable future lease payments as right-of-use ("ROU") assets and lease liabilities on the statement of financial position, including those for most leases that would currently be accounted for as operating leases. The impact of adoption of this standard is detailed in Note 5.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS

Year Ended September 30, 2020	Newmont Lake British Columbia, Canada	Tom Cat Claims, British Columbia, Canada	EL1and EL5 Property, Ontario Canada	Foremore Claims, British Columbia, Canada	Total
Acquisition Costs:					
Balance, beginning of year	$ 2,110,000	$ 61,036	$ -	$ -	$ 2,171,036
Cash payment	25,000	-	-	30,000	55,000
Write-off	-	-	-	(30,000)	(30,000)
Balance, end of year	2,135,000	61,036	-	-	2,196,036
Deferred Exploration Costs:					
Balance, beginning of year	8,765,460	133,448	-	-	8,898,908
Assay	218,278	-	-	12,732	231,010
Consulting	365,769	22	4,766	14,654	385,211
Drilling, field work and other	2,680,072	-	9,000	70,867	2,759,939
Supplies	359,528	-	1,182	-	360,710
Travel	769,038	-	-	-	769,038
Write-off	-	-	(14,948)	(98,253)	(113,201)
Balance, end of year	13,158,145	133,470	-	-	13,291,615
Total	**$ 15,293,145**	**$ 194,506**	**$ -**	**$ -**	**$ 15,487,651**

Expressed in Canadian Dollars

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

Year Ended September 30, 2019	Newmont Lake British Columbia, Canada	Tom Cat Claims, British Columbia, Canada	Iron Property, Ontario Canada	EL1and EL5 Property, Ontario Canada	Property #1,2,3,4,5,7 and 8 Ontario Canada	Property #6, Ontario Canada	Foremore Claims, British Columbia, Canada	Total
Acquisition Costs:								
Balance, beginning of year	$ 250,000	$ 61,036	$ 519,174	$ 1,600,000	$ 3,748,500	$ 530,000	$ -	$ 6,708,710
Cash payment	780,000	-	-	-	-	-	60,000	840,000
Shares issued	1,080,000	-	-	-	-	-	-	1,080,000
Write-off (Note 15)	-	-	(346,072)	(1,066,531)	(2,498,683)	(353,289)	(39,995)	(4,304,570)
Transfer to available for sale (Note 15)	-	-	(173,102)	(533,469)	(1,249,817)	(176,711)	(20,005)	(2,153,104)
Balance, end of year	2,110,000	61,036	-	-	-	-	-	2,171,036
Deferred Exploration Costs:								
Balance, beginning of year	-	92,319	444,551	1,045,962	35,000	-	-	1,617,832
Assay	453,175	1,819	-	-	-	-	8,968	463,962
Consulting	500,396	-	-	28,980	2,913	-	82,018	614,307
Drilling, field work and other	4,455,712	-	-	63,500	-	-	101,535	4,620,747
Travel and helicopters	2,688,856	5,332	-	-	-	-	-	2,674,188
Project management fees	-	33,978	-	-	-	-	-	33,978
Supplies	687,321	-	-	1,055	-	-	-	688,376
Write-off (Note 15)	-	-	(296,330)	(759,568)	(25,272)	-	(128,331)	(1,209,501)
Transfer to available for sale (Note 15)	-	-	(148,221)	(379,929)	(12,641)	-	(64,190)	(604,981)
Balance, end of year	8,765,460	133,448	-	-	-	-	-	8,898,908
Total	**$ 10,875,460**	**$ 194,484**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,069,944**

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

Newmont Lake Claims, British Columbia

In September 2018, the Company entered into a letter agreement for an option to acquire a 100% interest in the Newmont Lake mineral property from of Romios Gold Resources Inc. ("Romios"). Pursuant to the agreement, in order to complete the acquisition, the Company is required to:

i) pay $250,000 immediately upon signing (**paid**).
ii) pay $250,000 at 90 days following the regulatory approval (**paid**).
iii) pay $250,000 at 180 days following the regulatory approval (**paid**).
iv) pay $250,000 at 270 days following the regulatory approval (**paid**).
v) pay $1,000,000 concurrently with the Company vesting 100% interest in the property by February 22nd, 2022.
vi) issue 4,000,000 shares upon the regulatory approval (issued at a value of $1,080,000) (**issued**).
vii) issue 4,000,000 shares on November 29th , 2020. (**issued subsequent to September 30, 2020**).
viii) issue 4,000,000 shares on November 29th , 2021.
ix) incur exploration expenditures of $3,000,000 by February 22nd, 2020(**incurred**).
x) incur exploration expenditures of $2,500,000 by February 22nd, 2021 (**incurred**).
xi) incur exploration expenditures of $2,500,000 by February 22nd, 2022(**incurred**).
xii) incur an underlying annual payment of $30,000 (**paid**).

The claims are subject to a 2% NSR held by Romios. Up to 1% of the Net Smelter Royalty ("NSR") can be bought back by the Company in increments of 0.5% for $2,000,000 per 0.5% (gross total $4,000,000 for 1%) at any time by the Company upon 100% earn-in of the Romios Claims. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate which exceeds 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred) is confirmed/executed. An additional 1,000,000 shares of the Company will be issued to Romios for each additional 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred).

Subsequent to September 30, 2020, the Company received notice from the Optionor that it wishes to appoint a Romios board member to the board of Enduro in place of a previous appointee who was appointed under specific conditions of the option agreement that allowed them to appoint one member to the board. The Company believes that it has addressed the matter and may continue to have discussions with the Optionor with respect to its request.

As of September 30, 2020, the Company had $200,000 (2019 - $200,000) as a deposit with the Ministry of Energy & Mines.

Tom Cat Claims, British Columbia

The Company owns a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% Net Smelter Royalty ("NSR"), of which an additional 1% may be purchased for $2,000,000 for five years from the start of commercial production.

Iron Property, Emo, Ontario

The Company entered into a series of agreements, the last of which was finalized during the year ended September 30, 2017, to acquire the right to earn a 60% interest in the iron mineralization on the Emerald Lake Property located north of the town of Emo, Ontario.

Pursuant to the agreements, the Company paid $65,000 in fiscal 2014, issued 2,865,625 common shares valued at $386,859 in fiscal 2015 and issued 115,475 common shares valued at $46,190 in fiscal 2016. In order to complete the acquisition of the 60% interest, the Company was required to pay four additional installments of $50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017 and an additional 6,392,000 common shares on the earlier of a positive feasibility or the commencement of commercial production. The Company was also required to incur exploration expenditures of $1,500,000 by October 15, 2017. The Company has the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

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

Iron Property, Emo, Ontario (cont'd…)

The Company has not made the cash payments and incurred the required exploration expenditures and is consequentially not in compliance with the terms of their option agreement.

During the year ended September 30, 2019, the Company entered into an arrangement agreement with Sassy and reallocated the property costs to available for sale (Note 15).

EL1 & EL5 Properties, Emo, Ontario

The Company entered into a series of agreements to acquire the right to earn a 60% interest in the EL1 & EL5 mineral exploration properties located in Emo, Ontario.

During the year ended September 30, 2018, pursuant to the latest amended agreement, the Company could earn a 60% interest in the EL1 and EL5 properties by paying $2,000,000 in equal instalments of $500,000 (paid $250,000) over a two year period. The first $500,000 instalment was due on February 13, 2018 (paid $250,000). The Company can increase its interest in these properties to 85% by paying Emerald Lake $8,000,000. The option agreement is subject to a NSR on the EL1 property of 3% and EL5 property of 2%.

Prior to the latest amended agreement, the Company paid $350,000 and issued 3,500,000 common shares valued at $980,000.

The Company has not made the cash payments and incurred the required exploration expenditures and is consequentially not in compliance with the terms of their option agreement.

During the year ended September 30, 2019, the Company entered into an arrangement agreement with Sassy and reallocated the property costs to available for sale (Note 15).

Emo Ontario Properties (Property #1,2,3,4,5,7, and 8), Emo, Ontario

Right of First Refusal Agreement

On September 27, 2016, the Company entered into a right of first refusal agreement ("ROFR") with Emerald Lake to acquire 100% of eight additional claim blocks near the town of Emo, Ontario.

During the year ended September 30, 2017, the Company announced that pursuant to the ROFR, it had entered into an agreement, with Emerald Lake. The agreement provided the Company the option to acquire100% of the mineral rights of certain properties near Emo Ontario for determined numbers of common shares.

The Company and Emerald Lake amended the agreement several times during the year ended September 30, 2017. The amended agreement provided the Company the option to acquire any or all of the following properties near Emo Ontario for the designated numbers of common shares: Property #2 for 3,000,000 common shares, Property #5 for 3,000,000 common shares, Property #7 for 1,000,000 common shares, and Property #8 for 500,000 common shares. Any property acquired would be subject to a net smelter royalty payable to Emerald Lake. Any properties purchased will remain subject to a 3% NSR which may be reduced to 2% by a $1,000,000 payment.

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

Emo Ontario Properties (Property #1,2,3,4,5,7, and 8), Emo, Ontario (cont'd…)

During the year ended September 30, 2018, the Company agreed to purchase a 100% interest in Property #1, Property #2, Property #3, Property #4, Property #5, Property #7 and Property #8 by issuing 10,500,000 shares (valued at $5,355,000) to Emerald Lake, subject to a 2% NSR, 1% of which may be purchased for $1,000,000. During the year ended September 30, 2018, the TSX-V approved the agreement.

At September 30, 2018, the Company impaired Property#1, 2, 3, 4, 5, 7, and 8 by $1,621,500 based on the claims that expired.

During the year ended September 30, 2019, the Company entered into an arrangement agreement with Sassy and reallocated the property costs to available for sale (Note 15).

Property #6, Emo, Ontario

In January 2017, pursuant to the ROFR, the Company entered into a purchase agreement, with Emerald Lake to buy a 100% interest in the mineral rights hosted by the property known as Property #6 near Emo, Ontario.

In order to complete the purchase, the Company issued 2,000,000 common shares valued at $530,000 to Emerald Lake. A 3% of NSR shall be payable to Emerald Lake upon the commencement of commercial production.

During the year ended September 30, 2019, the Company entered into an arrangement agreement with Sassy and reallocated the property costs to available for sale (Note 15).

Foremore Claims, British Columbia

In June 2019, the Company entered into a binding letter of intent ("LOI"), subsequently amended, to acquire a 100% interest in certain mineral claims known as the Foremore claims. Pursuant to the agreement, in order to complete the acquisition, the Company was required to:

i) pay $10,000 within 3 business days following the execution of the LOI (**paid**).
ii) pay $50,000 at 3 business days following the regulatory approval (**paid**).
iii) pay $50,000 by Sassy on or before the first anniversary of the regulatory approval.
iv) pay $66,667 by Sassy on or before the second anniversary of the regulatory approval.
v) pay $66,667 by Sassy on or before the third anniversary of the regulatory approval.
vi) pay $66,667 by Sassy on or before the fourth anniversary of the regulatory approval.
vii) issue 250,000 shares upon the completion of the arrangement agreement (Note 15).
viii) issue 250,000 shares of Sassy on the first anniversary of the regulatory approval.
ix) issue 250,000 shares of Sassy on the second anniversary of the regulatory approval.
x) issue 250,000 shares of Sassy on or before the third anniversary of the regulatory approval.
xi) issue 250,000 shares of Sassy on or before the fourth anniversary of the regulatory approval.
xii) incur $150,000 by Sassy on or before the first anniversary of the regulatory approval.
xiii) incur $150,000 by Sassy on or before the second anniversary of the regulatory approval.
xiv) incur $300,000 by Sassy on or before the third anniversary of the regulatory approval.
xv) incur $300,000 by Sassy on or before the fourth anniversary of the regulatory approval.
xiv) incur $300,000 by Sassy on or before the fifth anniversary of the regulatory approval.

The claims were subject to a 3% NSR and the Company's subsidiary, Sassy, had the right to purchase back the 2% royalty for $2,000,000 and an additional 0.5% royalty for $1,000,000 (**paid $30,000**).

During the year ended September 30, 2019, the Company entered into an arrangement agreement with Sassy and reallocated the property costs to available for sale assets (Note 15).

Expressed in Canadian Dollars

4. LAND, BUILDING AND EQUIPMENT

Equipment is carried at cost less accumulated amortization. Details are as follows:

	Vehicles	Furniture and Equipment	Building[1]	Land[1]	Total
Cost					
Balance, September 30, 2018	$ 15,000	$ 27,819	$ 120,000	$ 145,290	$ 308,109
Additions	-	-	-	-	-
Balance, September 30, 2019	15,000	27,819	120,000	145,290	308,109
Additions	-	2,780	-	-	2,780
Disposal	-	-	(120,000)	(145,290)	(265,290)
Write-down	(15,000)	(30,599)	-	-	(45,599)
Balance, September 30, 2020	$ -	$ -	$ -	$ -	$ -
Accumulated depreciation					
Balance, September 30, 2018	$ 6,075	$ 14,791	$ 19,200	$ -	$ 40,066
Additions	2,678	2,606	4,800	-	10,084
Write-down	-	-	61,784	93,506	155,290
Balance, September 30, 2019	8,753	17,397	85,784	93,506	205,440
Additions	937	3,822	1,746	-	6,505
Disposal	-	-	(87,530)	(93,506)	(181,036)
Write-down	(9,690)	(21,219)	-	-	(30,909)
Balance, September 30, 2020	$ -	$ -	$ -	$ -	$ -
Carrying amounts					
Balance, September 30, 2019	$ 6,247	$ 10,422	$ 34,216	$ 51,784	$ 102,669
Balance, September 30, 2020	$ -	$ -	$ -	$ -	$ -

(1) Land and building are listed as collateral for the mortgage payable. During the year ended September 30, 2020, the Company disposed of its land and building in settlement of its mortgage payable. (Note 6)

During the year ended September 30, 2019, the Company recognized a write-down of $155,290 on land and building.

During the year ended September 30, 2020, the Company recognized a loss on write down of $14,690 on vehicles, furniture and equipment.

5. RIGHT OF USE ASSETS AND LEASE LIABILITIES

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments excluding renewal options as they were not expected to be exercised, and discounted using the Company's incremental borrowing rate as of October 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on October 1, 2019 was 15%.

The following is a reconciliation of operating lease commitments to lease obligation in accordance with IFRS 16:

Total current lease liabilities recognized under IFRS 16 at October 1, 2019	$	76,582
Discounted using incremental borrowing rate		(18,491)
Total lease liabilities recognized under IFRS 16 at September 30, 2020	$	58,091

Expressed in Canadian Dollars

5. RIGHT OF USE ASSETS AND LEASE LIABILITIES (cont'd…)

The recognized right-of-use asset related to the leases for trucks in possession by the Company. The change in accounting policy affected the following items in the statement of financial position on October 1, 2019:

- Right-of-use assets – increased by $58,019
- Lease liabilities - increased by $58,019

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases were onerous
- elected to account for short-term leases and leases of low-value assets as an expense in the statement of loss on a straight-line basis over the lease term
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

As of September 30, 2020, the Company had three agreements that were leases as defined under IFRS 16. In analyzing the identified agreements, the Company applied the lessee accounting model pursuant to IFRS 16, and considered all of the facts and circumstances surrounding the inception of the contract.

On January 25, 2018, the Company entered into a 4 year lease for the use of a truck and capitalized the equipment valued at $15,964. Pursuant to the terms of the agreement, the Company was required to make monthly lease payments of $660 over 48 months.

On May 11, 2019, the Company entered into a 4 year lease for the use of a truck capitalized the equipment valued at $19,168. Pursuant to the terms of the agreement, the Company was required to make monthly lease payments of $569 over 48 months.

On July 7, 2020, the Company entered into a 4 year lease for the use of a truck capitalized the equipment valued at $22,959. Pursuant to the terms of the agreement, the Company was required to make monthly lease payments of $559 over 48 months.

For the year ending September 30, 2020, the depreciation of the right of use assets was $11,752. The right of use assets are depreciated on a straight-line basis over the term of the lease.

Right of use asset, October 1, 2019	$	58,109
Depreciation of right of use assets		(11,752)
Write-off		(46,357)
Right of use asset, September 30, 2020	$	-

For the year ending September 30, 2020, finance charges on the lease liabilities were $Nil, included in interest and bank charges in profit or loss.

Lease liabilities, October 1, 2019	$	58,019
Payments		(15,418)
Finance costs		5,942
Write-off		(48,543)
Lease liabilities, July 31, 2020	$	-

During the year ended September 30, 2020, the Company disposed of two truck leases resulting in a gain of $1,528. The remaining truck lease was sold with the Company's building and land and resulted in a gain of $748.

Expressed in Canadian Dollars

6. LOANS PAYABLE

		September 30, 2020	September 30, 2019
i)	During the year ended September 30, 2015, the Company entered into a $250,000 debenture loan. The debenture matured on March 28, 2017 and bore interest at a rate of 10% per annum payable annually. The loan was convertible into common shares of the Company at a price of $0.32 per share at any time prior to maturity. On issuance, the loan was classified into separate loan liability and conversion feature equity components in the Company's financial statements using the fair value method and an effective interest rate of 12%. The liability was first valued, resulting in an initial amount of $242,164 being allocated to the liability and $7,836 being allocated to the conversion feature. Over the term of the loan this carrying value was accreted to the $250,000 principal amount using the effective-interest-rate method, with an effective interest rate of 12%. During the year ended September 30, 2019, the corresponding interest and accretion of $21,713 was charged to operations. During the year ended September 30, 2019, the Company settled $355,958 with an issuance of common shares resulting in a gain on debt conversion of $4,315 (Note 8).	$ -	$ -
ii)	During the year ended September 30, 2014, the Company entered into two debenture loan agreements whereby the Company borrowed $200,000. The loans bore simple interest at 12% per annum and were repayable by December 13, 2014. Pursuant to the agreements, the lenders had the right to convert all or any portion of the accrued interest into common shares of the Company prior to the end of the term. The loan is secured by certain assets of the Company. During the year ended September 30, 2015, the Company settled $100,000 of the principal debt for shares. The remaining $100,000 of principal and interest remained unpaid. Interest continued to accrue with no additional penalties. During the year ended September 30, 2019, the Company accrued $10,389 of interest. During the year ended September 30, 2019, the Company settled $167,364 with the issuance of common shares resulting in a gain on debt conversion of $1,972 (Note 8).	-	-
iii)	During the year ended September 30, 2014, the Company financed the acquisition of land and building with a mortgage payable of $260,117. Mortgage was due on August 15, 2015. The mortgage was secured by land and a building in the district of Rainy River, Ontario. During the year ended September 30, 2016, the Company paid $27,150 to reduce the mortgage payable and accrued $29,618 in interest. During the year ended September 30, 2017, the Company paid $22,213 to reduce the mortgage payable and accrued $29,618 in interest. During the year ended September 30, 2018, the Company paid $41,959 to reduce the mortgage payable and accrued $29,618 in interest. During the year ended September 30, 2019, the Company paid $27,150 to reduce the mortgage payable and accrued $29,618 in interest. During the year ended September 30, 2020, the Company paid $4,937 to reduce the mortgage payable and accrued $24,682 in interest. The Company sold the land and building, and transferred all remaining mortgage payable to the buyer, which resulted in a gain of $200,030, including the truck lease on the property (Note 5).	-	263,791

Expressed in Canadian Dollars

6. LOANS PAYABLE (cont'd…)

iv) During the year ended September 30, 2016, the Company received $96,280 from the CEO of the Company, consisting of a series of non-interest bearing, unsecured advances with no fixed terms of repayment. The Company repaid $5,000 of the amounts advanced during the year ended September 30, 2016. During the year ended September 30, 2017, the Company received an additional $187,700 from the CEO, under the same terms as the initial amount received in 2016, and settled $147,000, by repaying $67,000 in cash and $80,000 with the issuance of common shares. During the year ended September 30, 2018, the Company received an additional $8,950 under the same terms and repaid $134,000 in cash. During the year ended September 30, 2019, the Company settled the remaining $6,930 in cash.	-	-
v) During the year ended September 30, 2020, the Company received a $40,000 loan from the Canada Emergency Business Account to provide emergency support to businesses due to the impact of COVID-19. The loan is non-interest bearing until December 31, 2022, after which it will incur interest at 5% per annum. If the principal of $30,000 is fully repaid on or before December 31, 2022, the remaining $10,000 will be forgiven.	40,000	-
Total loans payable	40,000	263,791
Loan payable – long-term	(40,000)	-
Loan payable – short-term	$ -	$ 263,791

7. MARKETABLE SECURITES

During the year ended September 30, 2018, the Company paid $175,000 to acquire 2,187,500 units of Romios. The acquisition of the units was completed on October 2, 2018. Each unit was comprised of one common share of Romios and one warrant to acquire an additional 1,093,750 common shares of Romios exercisable at $0.12 expiring on October 2, 2019. The warrants expired unexercised during the year ended September 30, 2020. The shares were sold during the year ended September 30, 2019 for $90,000, resulting in a realized loss of $85,000

8. SHARE CAPITAL AND EQUITY RESERVES

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

i) closed a non-brokered private placement and issued 15,513,250 units at $0.10 per unit for gross proceeds of $1,551,325. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.15 on or before November 19, 2024. The Company issued 290,800 finder's warrants (valued at $11,801). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.15 on or before November 19, 2021. The Company paid share issuance costs of $21,080.

ii) issued 2,557,693 flow-through units at $0.13 per unit for gross proceeds of $332,500. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.20 on or before November 14, 2021. The Company issued 196,615 finder's warrants (valued at $4,046). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.20 on or before May 19, 2021. The Company paid share issuance costs of $25,560. A value of $76,731 was attributed to the flow-through premium liability in connection with the financing. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $76,731 as reversal of flow-through premium.

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

iii) closed an additional tranche of the non-brokered private placement and issued 15,477,000 units at $0.10 per unit for gross proceeds of $1,547,700. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.15 on or before December 20, 2024. The Company paid finder's fees of $25,360 and issued 253,600 finder's warrants (valued at $11,812). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.15 on or before December 20, 2021.

The Company also issued 1,562,000 flow-through units at $0.13 per unit for gross proceeds of $203,060. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.20 on or before December 19, 2021. The Company paid finder's fees of $10,005 and issued 76,960 finder's warrants (valued at $1,929). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.20 on or before June 19, 2021. A value of $31,240 was attributed to the flow-through premium liability in connection with the financing. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $31,240 as reversal of flow-through premium.

The Company also issued 153,923 flow-through units at $0.13 per unit for gross proceeds of $20,010. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.20 on or before December 20, 2021. The Company issued 12,314 finder's warrants (valued at $308). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.20 on or before June 20, 2021. The Company paid share issuance costs of $1,600. A value of $3,078 was attributed to the flow-through premium liability in connection with the financing. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $3,078 as reversal of flow-through premium.

iv) closed the final tranche of the non-brokered private placement and issued 1,680,000 units at $0.10 per unit for gross proceeds of $168,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.15 on or before December 31, 2021. The Company paid finder's fees of $8,800 and issued 88,000 finder's warrants (valued at $4,469). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.15 on or before December 31, 2021.

The Company also issued 357,000 flow-through units at $0.13 per unit for gross proceeds of $46,410. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.20 on or before December 31, 2021. The Company paid finder's fees of $3,713 and issued 28,560 finder's warrants (valued at $860). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.20 on or before June 30, 2021. A value of $3,570 was attributed to the flow-through premium liability in connection with the financing. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $3,570 as reversal of flow-through premium.

v) issued 6,294,050 common shares pursuant to exercise of warrants for gross proceeds of $963,918. The Company transferred $11,062 to share capital from reserves.

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

vi) closed a non-brokered private placement and issued 40,390,000 units at $0.25 per unit for gross proceeds of $10,076,170 of which $21,330 remains receivable. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.38 on or before February 17, 2022. The Company paid finder's fees of $322,843 and granted 844,851 finder's warrants (valued at $131,666). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.38 on or before February 17, 2022.

The Company also issued 3,270,893 flow-through shares at $0.33 per unit for gross proceeds of $1,079,395. The Company granted 241,849 finder's warrants (valued at $34,887). Each finder's warrant may be exercised to purchase an additional common share at a price of $0.50 on or before February 17, 2022. A value of $264,871 was attributed to the flow-through premium liability in connection with the financing. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $264,871 as reversal of flow-through premium.

vii) issued 400,000 common shares in error which were returned to treasury subsequent to September 30, 2020.

During the year ended September 30, 2019, the Company:

i) issued 518,334 common shares pursuant to exercise of options for gross proceeds of $155,500. The Company transferred $100,470 to capital stock from share-based payment reserve.

ii) issued 3,689,755 common shares pursuant to exercise of warrants for gross proceeds of $996,089. The Company transferred $5,819 to capital stock from share-based payment reserve.

iii) closed a non-brokered private placement and issued 1,428,572 flow-through common shares at $0.35 per flow-through share for gross proceeds of $500,000. The Company issued 100,000 finders' warrants (valued at $16,255) exercisable at $0.35 on or before December 20, 2020. A value of $100,000 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds and accordingly, recorded $97,800 as reversal of flow-through premium during the year ended September 30, 2019 resulting in a remaining flow-through premium liability of $2,200. The Company paid share issuance costs of $43,149. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $2,200 as reversal of flow-through premium.

iv) closed a non-brokered private placement and issued 381,000 flow-through common shares at $0.35 per flow-through share for gross proceeds of $133,350. The Company issued 10,570 finders' warrants (valued at $1,718) exercisable at $0.35 on or before December 21, 2020. A value of $22,860 was attributed to the flow-through premium liability in connection with the financing. The Company expended certain of the flow-through proceeds and accordingly, recorded $20,574 as reversal of flow-through premium during the year ended September 30, 2019 resulting in a remaining flow-through premium liability of $2,286. The Company paid share issuance costs of $3,700. During the year ended September 30, 2020, the Company expended the remaining flow-through proceeds and recorded $2,286 as reversal of flow-through premium.

v) closed a non-brokered private placement and issued 370,000 units at $0.30 per unit for net proceeds of $111,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.45 on or before December 28, 2019. The Company paid share issuance costs of $6,608.

vi) issued 4,000,000 shares at a value of $1,080,000 pursuant to the acquisition of Newmont Lake Property (Note 3).

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

vii) closed the first tranche of a non-brokered private placement and issued 8,488,443 units at $0.225 per unit for proceeds of $1,909,900. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.35 on or before March 25, 2021. The Company issued 3,200 finders' warrants (valued at $533) exercisable at $0.35 on or before March 25, 2021. The Company paid share issuance costs of $20,620.

viii) closed the second tranche of the non-brokered private placement and issued 8,827,944 units at $0.225 per unit for proceeds of $1,986,288. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.35 on or before March 27, 2021. The Company issued 48,000 finders' warrants (valued at $7,442) exercisable at $0.35 on or before March 27, 2021.

As part of the second tranche, the Company issued 1,250,000 flow-through common shares at $0.32 per flow-through share for gross proceeds of $400,000. The Company issued 100,000 finders' warrants (valued at $15,989) exercisable at $0.32 on or before March 29, 2021. A value of $62,500 was attributed to the flow-through premium liability in connection with the financing. The Company expended the flow-through proceeds and accordingly, recorded $62,500 as reversal of flow-through premium during the year ended September 30, 2019. The Company paid share issuance costs of $34,000.

ix) issued 200,000 flow-through units at $0.35 per flow-through units and for gross proceeds of $70,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.45 on or before March 25, 2021. A value of $13,000 was attributed to the flow-through premium liability in connection with the financing. The Company expended the flow-through proceeds and accordingly, recorded $13,000 as reversal of flow-through premium during the year ended September 30, 2019.

x) issued 85,500 flow-through units at $0.35 per flow-through units for gross proceeds of $29,925. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.45 on or before March 27, 2021. A value of $7,080 was attributed to the flow-through premium liability in connection with the financing. The Company expended the flow-through proceeds and accordingly, recorded $7,080 as reversal of flow-through premium during the year ended September 30, 2019.

xi) closed the final tranche of the non-brokered private placement and issued 525,000 units at $0.225 per unit for gross proceeds of $118,125. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.35 on or before April 1, 2021.

xii) closed a non-brokered private placement and issued 2,865,834 units at $0.35 per unit for gross proceeds of $1,003,042. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.50 on or before August 2, 2021.

xiii) closed 725,000 flow-through units at $0.40 per flow-through units for gross proceeds of $290,000. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant may be exercisable by the holder to purchase an additional common share at a price of $0.60 on or before August 2, 2021. A value of $18,125 was attributed to the flow-through premium liability in connection with the financing. The Company expended the flow-through proceeds and accordingly, recorded $18,125 as reversal of flow-through premium during the year ended September 30, 2019.

Expressed in Canadian Dollars

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

xiv) issued 1,615,734 common shares at $0.32 per share at a value of $517,035 to settle debenture loans of $523,322 resulting in a gain of $6,287 on the settlement of debt.

xv) closed the first tranche of the non-brokered private placement and issued 4,793,333 units at $0.30 per unit for gross proceeds of $1,438,000, of which $14,000 was receivable as of September 30, 2019 and was recorded as subscriptions receivable. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.35 on or before September 12, 2021.

xvi) closed the second tranche of the non-brokered private placement and issued 246,000 units at $0.30 per unit for gross proceeds of $73,800. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.35 on or before September 24, 2021. The Company paid share issuance costs of $3,912 and issued 13,040 finders' warrants (valued at $1,554) exercisable at $0.35 on or before September 24, 2021.

xvii) closed 100,000 flow-through units at $0.35 per flow-through units for gross proceeds of $35,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant may be exercisable by the holder to purchase an additional common share at a price of $0.45 on or before September 24, 2021. A value of $14,000 was attributed to the flow-through premium liability in connection with the financing. The Company expended the flow-through proceeds and accordingly, recorded $14,000 as reversal of flow-through premium during the year ended September 30, 2019.

xviii) cancelled 50,000 flow-through units at $0.40 per flow-through units.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, 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 of directors.

A summary of changes in options is as follows:

	Number of options	Weighted average exercise price
Outstanding and exercisable September 30, 2018	6,533,334	$ 0.44
Granted	3,580,000	0.31
Exercised	(518,334)	0.30
Outstanding and exercisable September 30, 2019	9,595,000	0.30
Granted	8,900,000	0.13
Cancelled/Expired	(8,875,000)	0.30
Outstanding September 30, 2020	9,620,000	$ 0.14

Expressed in Canadian Dollars

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

Stock options (cont'd…)

The following stock options were outstanding at September 30, 2020:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
April 1, 2021	$ 0.30	250,000	250,000
June 24, 2024	$ 0.35	470,000	470,000
June 17, 2025	$ 0.12	7,900,000	3,950,000
June 30, 2025	$ 0.165	1,000,000	500,000
		9,620,000	5,170,000

Share-based compensation

During the year ended September 30, 2020, the Company recognized $531,014 (2019 - $694,400) on options granted and vested throughout the year. The weighted average fair value of each stock option granted during the year was $0.096 (2019 - $0.19), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Year ended September 30, 2020	**Year ended September 30, 2019**
Volatility	125.97%	121.55%
Risk-free interest rate	0.37%	1.62%
Dividend yield	0.00%	0.00%
Expected life	5.00 years	2.56 years
Expected forfeiture rate	0.00%	0.00%

During the year ended September 30, 2019, the Company repriced the following 1,525,000 stock options to $0.30 per option resulting in additional share-based compensation of $81,677. All other terms of the stock options remain unchanged.

Expiry Date	Number of Options
December 19, 2019	250,000
January 14, 2020	750,000
September 25, 2020	525,000
	1,525,000

Expressed in Canadian Dollars

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

The weighted average fair value of each stock option repriced during the year was $0.15, calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Year ended September 30, 2019
Volatility	102.37%
Risk-free interest rate	1.65%
Dividend yield	0.00%
Expected life	1.06 years
Expected forfeiture rate	0.00%

Warrants

A summary of changes in warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding September 30, 2018	7,506,640	$ 0.44
Granted	22,976,781	0.37
Exercised	(3,689,755)	0.27
Expired	(117,500)	0.40
Outstanding September 30, 2019	26,676,166	0.40
Granted	79,724,415	0.27
Exercised	(6,294,050)	0.15
Expired	(4,284,385)	0.58
Outstanding September 30, 2020	95,822,146	$ 0.30

Expressed in Canadian Dollars

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

Warrants (cont'd…)

The following warrants were outstanding at September 30, 2020:

Number of Warrants	Exercise Price	Expiry Date
100,000	$ 0.35	December 20, 2020***
10,570	$ 0.35	December 21, 2020***
8,091,643	$ 0.35	March 25, 2021
200,000	$ 0.45	March 25, 2021
8,875,944	$ 0.35	March 27, 2021
85,500	$ 0.45	March 27, 2021
100,000	$ 0.32	March 29, 2021
525,000	$ 0.35	April 1, 2021
2,307,693**	$ 0.20	May 19, 2021
184,615	$ 0.20	May 19, 2021
1,800	$ 0.20	May 19, 2021
73,960	$ 0.20	June 19, 2021
12,314	$ 0.20	June 20, 2021
20,560	$ 0.20	June 30, 2021
1,432,917	$ 0.50	August 2, 2021
337,500	$ 0.60	August 2, 2021
2,396,667	$ 0.35	September 12, 2021
136,040	$ 0.35	September 24, 2021
100,000	$ 0.45	September 24, 2021
150,000	$ 0.20	November 19, 2021
226,400	$ 0.15	November 19, 2021
1,287,000	$ 0.20	December 19, 2021
118,400	$ 0.15	December 19, 2021
153,923	$ 0.20	December 20, 2021
357,000	$ 0.20	December 31, 2021
1,680,000	$ 0.15	December 31, 2021
56,000****	$ 0.15	December 31, 2021
40,390,000	$ 0.38	February 17, 2022
844,851	$ 0.38	February 17, 2022
241,849	$ 0.50	February 17, 2022
10,277,000	$ 0.15	November 19, 2024
15,047,000*	$ 0.15	December 19, 2024
95,822,146		

* 800,000 warrants exercised and 1,600,000 cancelled subsequent to September 30, 2020 (Note 17)
** 2,307,693 warrants exercised subsequent to September 30, 2020 (Note 17)
*** expired subsequent to September 30, 2020
**** 13,200 warrants exercised subsequent to September 30, 2020 (Note 17)

Expressed in Canadian Dollars

8. SHARE CAPITAL AND EQUITY RESERVES (cont'd…)

Warrants (cont'd…)

The weighted average fair value of each finder's warrant granted during the year was $0.10 (2019 - $0.16), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Year ended September 30, 2020	Year ended September 30, 2019
Volatility	110.29%	124.08%
Risk-free interest rate	0.90%	1.68%
Dividend yield	0.00%	0.00%
Expected life	1.66 years	2 years
Expected forfeiture rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and companies controlled by them. The remuneration of directors and other members of key management personnel during the years ended September 30, 2020 and 2019 were as follows:

	2020	2019
Consulting	$ 30,000	$ -
Director fees	-	24,996
Management fees	336,880	331,146
Exploration and evaluation expenditures	1,360,341	-
	$ 1,727,221	$ 356,142

Key Management Compensation

	2020	2019
Management fees	$ 336,880	$ 331,146
Share-based compensation	$ 399,166	$ 248,790

Included in due to related parties as at September 30, 2020 is $395,137 (2019 - $99,022) due to directors, former directors, companies controlled by directors and a company with common directors. Included in prepaids as at September 30, 2020 is $5,250 (2019 - $Nil) due to an officer towards future management fees.

During the year ended September 30, 2020, the Company wrote off the related party's receivable from a company with common directors of $17,308 due to uncertainty in collection. As at September 30, 2020 is $Nil (2019 - $17,308) due to a company with common directors.

During the year ended September 30, 2020, the Company issued 6,800,000 stock options (2019 – 1,310,000) to directors and officers resulting in share-based compensation of $399,166 (2019 - $248,790) relating to the portion of options vested during the year.

During the year ended September 30, 2019, the Company paid interest of $86,853 to a director of the Company.

10. CAPITAL MANAGEMENT

The Company's primary objectives in capital management is to safeguard the Company's ability to continue as a going concern in order to provide a return for shareholders and to maintain sufficient funds to finance its exploration and evaluation interests. Capital is comprised of the Company's shareholders' equity. As at September 30, 2020, the Company's shareholders' equity was $20,989,026 (2019 – $9,819,474).

The Company manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended September 30, 2020.

11. FINANCIAL RISK FACTORS

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

The carrying value of the Company's receivables, accounts payable and accrued liabilities, due to related parties, and loans payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 20120, the Company had a cash balance of $6,494,870 (2019 - $135,986) to settle current liabilities of $1,862,782 (2019 - $5,062,243). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

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.

a) Interest rate risk

   The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

b) Foreign currency risk

   The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2020, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

11. FINANCIAL RISK FACTORS (cont'd…)

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 commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended September 30, 2020 include the Company:

i) issued 2,033,549 finders' warrants at a value of $201,778 pursuant to private placements.

ii) attributed $379,490 to the flow-through premium liability in connection with the financing.

iii) transferred $11,062 from share-based payment reserve to share capital upon exercise of warrants.

iv) recorded $58,091 pursuant to recognition of right-of-use assets.

v) at September 30, 2020, the Company had an accounts payable balance of $1,186,725 (2019 - $3,009,818) related to exploration and evaluation asset expenditures.

Significant non-cash transactions during the year ended September 30, 2019 include the Company:

i) issued 274,810 finders' warrants at a value of $43,491 pursuant to private placements.

ii) transferred $100,470 from share-based payment reserve to share capital upon exercise of options.

iii) transferred $5,819 from share-based payment reserve to share capital upon exercise of warrants.

iv) attributed $237,565 to the flow-through premium liability in connection with the financing.

v) issued 4,000,000 shares at a value of $1,080,000 pursuant to Newmont Lake option payment.

vi) issued 1,615,734 shares valued at $517,035 to settle a loan payable.

13. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's equipment and exploration and evaluation assets at September 30, 2020 were $15,487,651 (2019 - $11,172,613).

Expressed in Canadian Dollars

14. SUBSIDIARIES

Significant subsidiaries of the Company are as follows:

	Country of Incorporation	Principal Activity	Effective interest at September 30, 2020	Effective interest at September 30, 2019
Minera Sierra Gioc SA	Mexico	Holding company	100%	100%
Sierra Iron Ore USA	United States	Holding company	100%	100%
Sassy Resources Corporation	Canada	Mineral exploration	-	100%

On October 4, 2019, the Company's effective interest in Sassy was diluted to 0.00013% and was further diluted on November 20, 2019 to 0.00011%.

15. ARRANGEMENT AGREEMENT AND ASSETS HELD FOR SALE

On June 25, 2019, the Company entered into an arrangement agreement with its wholly-owned subsidiary, Sassy, to transfer its Northwest Ontario nickel exploration assets to Sassy, and its LOI, to acquire the Foremore claims, by way of a plan of arrangement pursuant to the Business Corporations Act of British Columbia. During the year ended September 30, 2020, the Company transferred the above noted exploration assets to Sassy in exchange for 10,000,000 common shares of Sassy which were distributed to the Company's shareholders. On September 30, 2019, the Company received shareholder approval of the transaction.

The disposal group reclassified for distribution to shareholders at September 30, 2019 consisted of the Company's Canadian subsidiary, Sassy, and certain exploration and evaluation assets which were spun-out during the year ended September 30, 2020. The disposal group was part of the Company's only segment, which was part of the exploration and evaluation assets (Note 3).

During the period where Sassy was a subsidiary of the Company, management determined the assets and liabilities of Sassy met the definitions of assets held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Consequently, assets and liabilities of Sassy were classified as a disposal group.

In accordance with IFRS 5, on the reclassification of disposal groups as assets held for sale and discontinued operations, the Company remeasured the net assets of Sassy to fair value less costs of disposal. On October 4, 2019, additional expenses of $128,816 associated with the spinout and deconsolidation (Note 14) were recognized which is included in loss and comprehensive loss for the year.

Expressed in Canadian Dollars

15. ARRANGEMENT AGREEMENT AND ASSETS HELD FOR SALE (cont'd…)

Assets and liabilities held for sale	**September 30, 2020**	**September 30, 2019**
Cash	$ -	$ 45,253
Receivables	-	1,662
Exploration and evaluation assets (Note 3)	-	2,758,085
Total assets held for sale	$ -	$ 2,805,000
Accounts payable and accrued liabilities	$ -	$ 37,500
Proceeds from issuance of shares – Sassy (Note 8)	-	17,500
Special warrants - Sassy	-	250,000
Total liabilities held for sale	$ -	$ 305,000

The fair value of the net assets distributed was valued at $2,500,000 which was based on subsequent Sassy private placements completed at $0.25 per share multiplied by 10,000,000 shares of Sassy Resources, which were distributed to the Company's shareholders on a pro rata basis. The Company's shareholders received 0.066708 shares of Sassy for every one common share of the Company held as at February 10, 2020.

In accordance with IFRIC 17, Distribution of Non-Cash assets to Owners, the Company recognized the distribution of net assets to the Company's shareholders at the fair value of $2,500,000.

During the year ended September 30, 2020, the Company has incurred $27,500 in transaction costs associated with the plan of arrangement, which were included in loss on disposal of assets/liabilities held for sale.

Special Warrants

During the year ended September 30, 2019, the Company's former subsidiary, Sassy granted 5,000,000 special warrants at $0.05 per warrant for gross proceeds of $250,000. Each special warrant shall be convertible into one common share and one common share purchase warrant on a date to be determined by the board of directors of Sassy but no later than two weeks after Sassy becomes a reporting issuer. Each warrant may be exercised by the holder to purchase an additional common share at a price of $0.10 for a period of two years.

Expressed in Canadian Dollars

16. INCOME TAXES

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

		2020		**2019**
Loss for the year	$	(2,068,699)	$	(9,824,415)
Expected income tax (recovery)	$	(559,000)	$	(2,653,000)
Change in statutory, foreign tax, foreign exchange rate and other		26,000		(44,000)
Permanent difference		79,000		164,000
Share issue cost		(113,000)		(30,000)
Impact of flow-through shares		454,000		388,000
Adjustment to prior years provision		426,000		1,000,000
Change in unrecognized deductible temporary differences		(313,000)		1,175,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's deferred tax assets and liabilities are as follows that have not been included on the consolidated statement of financial position as follows:

		2020		**2019**
Deferred Tax Assets (liabilities)				
Exploration and evaluation assets	$	690,000	$	1,519,000
Share issue cost		120,000		36,000
Property and equipment		11,000		19,000
Intangible assets		12,000		-
Allowable capital losses		15,000		18,000
Non-capital losses		3,668,000		3,237,000
Unrecognized deferred tax asset	$	4,516,000	$	4,829,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2020	Expiry Date Range		2019	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	2,543,000	No expiry date	$	5,615,000	No expiry date
Investment tax credit		4,000	2020 to 2034		4,000	2020 to 2034
Property and equipment		40,000	No expiry date		70,000	No expiry date
Share issue costs		444,000	2041 to 2044		132,000	2037 to 2043
Allowable capital losses		56,000	No expiry date		66,000	No expiry date
Non-capital losses available for future period		13,797,000	2030 to 2040		12,198,000	2029 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

17. SUBSEQUENT EVENTS

Subsequent to September 30, 2020 the Company:

i) issued 3,120,893 common shares pursuant to the exercise of warrants for the gross proceeds of $583,519.

ii) issued 4,000,000 common shares pursuant to the acquisition of the Newmont Lake Property (Note 3).

iii) cancelled 400,000 common shares which were issued in error.

iv) returned 1,420,000 common shares to treasury pursuant to a settlement agreement.

v) received and cancelled 1,600,000 warrants with an exercise price of $0.15 pursuant to a settlement agreement.

vi) received a loan of $20,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID-19. The loan is non-interest bearing until December 31, 2022, after which it will incur interest at 5% per annum. If the principal of $10,000 is fully repaid on or before December 31, 2022, the remaining $10,000 will be forgiven.

vii) received $150,000 pursuant to a settlement agreement.