Ethos
Gold Corp.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Stated in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Ethos Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Ethos Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in equity, and 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 December 31, 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.

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.

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 Peter Maloff.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 26, 2021

ETHOS GOLD CORP.

Consolidated Statements of Financial Position
(Stated in Canadian Dollars)

	Note(s)		December 31, 2020		December 31, 2019
ASSETS					
Current assets:					
Cash		$	2,851,877	$	3,009,935
Amounts receivables	5		306,869		463,367
Investments	6		1,158,000		418,000
Tax credits receivable			106,138		106,138
Prepaid expenses			81,075		87,453
Total current assets			4,503,959		4,084,893
Non-current assets:					
Bond	4		37,500		20,000
Property, plant and equipment	8		-		68,971
Exploration and evaluation assets	4		1,932,951		156,456
Total assets		$	6,474,410	$	4,330,320
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	10	$	119,802	$	472,846
Due to related parties	11		-		2,234
Flow-through share premium	9		284,936		653,163
Total current liabilities			404,738		1,128,243
SHAREHOLDERS' EQUITY					
Share capital	9		31,885,197		26,297,828
Contributed surplus	9		6,541,413		6,013,407
Deficit			(32,356,938)		(29,109,158)
Total shareholders' equity			6,069,672		3,207,077
Total liabilities and shareholders' equity		$	6,474,410	$	4,330,320

Nature of operations (Note 1)
Commitments and contingencies (Note 14)
Subsequent events (Note 18)

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

Approved by the Board of Directors and authorized for issue on April 26, 2021.

"Craig Roberts" Director

"Hendrik Van Alphen" Director

ETHOS GOLD CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Stated in Canadian Dollars)

	Note(s)	Year-ended Dec 31, 2020	Year-ended Dec 31, 2019
Expenses			
Amortization		$ 690	$ 197
Consulting	5	999,533	333,200
Exploration and project evaluation	6	2,070,737	5,014,661
Investor relations		261,917	367,094
Listing and filing fees		88,799	51,742
Office and administrative		68,872	50,971
Professional fees		197,699	265,716
Rent		20,052	20,364
Share-based compensation	9,10	492,484	111,505
Travel		30,035	98,169
		(4,230,818)	(6,313,619)
Other income (expenses)			
Change in fair value of investments		542,000	165,000
Foreign exchange		(40,664)	10,216
Gain on sale of fixed assets		10,383	-
Interest income		23,192	111,600
Indemnity expense on flow through shares		-	(109,498)
Other income from settlement of flow-through		368,227	350,000
Exploration and project evaluation recoveries		198,000	-
Part XII.6 tax accrual		-	(15,386)
Write-off of accounts receivable		(118,100)	(7,356)
Write-off of mineral interests	6	-	(587,456)
Net loss and comprehensive loss for the year		$ (3,247,780)	$ (6,396,501)
Basic and diluted loss per common share		$ (0.04)	$ (0.11)
Weighted average number of common shares outstanding		72,591,740	56,442,318

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

ETHOS GOLD CORP.
Consolidated Statements of Changes in Equity
(Stated in Canadian Dollars)

	Share Capital (Note 9)				
	Number of shares	Amount	Contributed surplus	Deficit	Total shareholders' equity
Balance, December 31, 2018	**54,685,381**	**$24,763,936**	**$5,940,486**	**$(22,712,657)**	**$ 7,991,765**
Private placement, net of issuance costs	7,656,632	1,975,251	-	-	1,975,251
Shares issue for mineral property	600,000	140,000	-	-	140,000
Flow-through share premium	-	(653,163)	-	-	(653,163)
Options exercised	275,000	71,804	(25,554)	-	46,250
Warrants issued for mineral property	-	-	(13,030)	-	(13,030)
Share-based compensation	-	-	111,505	-	111,505
Net loss for the year	-	-	-	(6,396,501)	(6,396,501)
Balance, December 31, 2019	**63,217,013**	**$26,297,828**	**$6,013,407**	**$(29,109,158)**	**$ 3,202,077**

Balance, December 31, 2019	**63,217,013**	**$26,297,828**	**$6,013,407**	**$(29,109,158)**	**$ 3,202,077**
Private placement, net of issuance costs	25,500,002	4,330,119	35,522	-	4,365,641
Shares issue for mineral property	6,175,000	1,257,250	-	-	1,257,250
Share-based compensation	-	-	492,484	-	492,484
Net loss for the year	-	-	-	(3,247,780)	(3,247,780)
Balance, December 31, 2020	**94,892,015**	**$31,885,197**	**$6,541,413**	**$(32,356,938)**	**$ 6,069,672**

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

ETHOS GOLD CORP.
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)

	Note(s)		Year-ended Dec 31, 2020		Year-ended Dec 31, 2019
Cash flows from operating activities:					
Net loss for the year		$	(3,247,780)	$	(6,396,501)
Items not involving cash:					
Amortization	5		690		197
Change in fair value of investments	7		(542,000)		(165,000)
Exploration and project evaluation recoveries			(198,000)		-
Gain on sale of fixed assets			(10,383)		-
Other income from settlement of flow-through			(368,227)		(350,000)
Share-based compensation	9,10		492,484		111,505
Write-off of mineral interests	6		-		587,458
Changes in non-cash working capital:					
Accounts payable and accrued liabilities			(353,044)		391,327
Amounts receivable			156,498		(371,001)
Due from related parties			-		4,437
Due to related parties			(2,234)		(10,666)
Prepaid expenses			6,378		(42,682)
Net cash used in operating activities			(4,065,618)		(6,240,926)
Cash flows from investing activities:					
Acquisition of mineral properties			(519,245)		(73,455)
Bond			(17,500)		(20,000)
Proceeds on sale (acquisition) of fixed assets	3		78,664		(69,168)
Investments	4		-		(253,000)
Net cash used in investing activities			(458,081)		(415,623)
Cash flows from financing activities:					
Private placement, net of issuance costs			4,365,641		1,975,251
Options exercised	9		-		46,250
Net cash provided by financing activities			4,365,641		2,021,501
Net decrease in cash			(158,058)		(4,635,048)
Cash, beginning of the year			3,009,935		7,644,986
Cash, end of the year		$	2,851,877	$	3,009,935

Cash and cash equivalents consisted of				
Cash deposited with a Canadian Senior Bank	$	2,811,786	$	2,969,844
Term deposits and guaranteed investment certificates issued		40,091		40,091
	$	2,851,877	$	3,009,935

Supplemental Cash Flow Information (Note 12)

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

1. NATURE OF OPERATIONS

Ethos Gold Corp. (the "Company" or "Ethos") was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2009, it began trading on the TSX Venture Exchange ("TSX-V") as a Tier 2 company under the symbol ECC. Its registered office is located at 1430 – 800 West Pender Street, Vancouver, BC, V6C 2V6. The Company's principal business activities are the identification, exploration and development of economically viable mineral properties.

These consolidated financial statements have been prepared on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on obtaining additional financing and if required through the issuance of debt or equity. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations in the normal course of business.

2. BASIS OF PREPARATION AND CONSOLIDATION

Statement of compliance

These consolidated financial statements, including the comparative statements, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). IFRS comprises IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs"). These consolidated financial statements have been prepared in accordance with IFRS standards and interpretations effective as of December 31, 2020, with significant accounting policies as described in Note 3.

Basis of Preparation
These consolidated financial statements have been prepared on a historical cost basis, except for assets classified as fair value through profit or loss which has been measured at fair value.

Basis of Consolidation
These consolidated financial statements include the accounts of the Company, its 100% owned Canadian subsidiary 1088151 B.C. Ltd., and its 100% owned Mexican subsidiary Compañía Minera Roca Dorada, SA de CV ("Roca Dorada"). Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over its subsidiary. All significant inter-company balances and transactions have been eliminated upon consolidated.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these consolidated financial statements include, among others, the recoverability of amounts receivable, investments at fair value, recoverability of taxes receivable and carrying values of mineral interests and equipment, the fair value of options and warrants issued, the eligibility of flow-through expenditures and accruals of flow-though liabilities, and the fair value of reclamation obligations. Actual results may differ from those estimates. Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include functional currency determinizations.

b) Reporting and functional currencies

The Company's reporting currency and the functional currency of all of its operations, including that of its subsidiaries, is the Canadian dollar. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in the statement of loss.

c) Cash and cash equivalents

Cash and cash equivalents consist of balances on deposit and investments in highly liquid short-term deposits, which are readily convertible into known amounts of cash and which are subject to minimal risks of changes in fair value.

d) Mineral interests

Mineral interests are recorded at cost less accumulated impairment losses. All direct costs related to the acquisition of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. Exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property and equipment. Upon commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

3. SIGNIFICANT ACCOUNTING POLICIES

e) Equipment

Equipment is recorded at cost and amortized over its estimated useful life. The Company records amortization on a declining balance basis at the following annual rates. The amortization rates are reduced by one-half in the years of acquisition and disposal.

Buildings: 2%

f) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment to determine whether there is an indication that those assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments 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 recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES

h) Reclamation obligations

Liabilities related to environmental protection and reclamation costs are recognized when the obligation is incurred and the fair value of the related costs can be reasonably estimated. This includes future site restoration and other costs as required due to environmental law or contracts.

i) Share capital

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

Flow-through shares
The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as recovery from issuance of flow-through shares. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

j) Income recognition

Interest from cash and short-term investments is recorded on an accrual basis when collection is reasonably assured.

k) Comprehensive income or loss

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income comprises net income or loss and other comprehensive income or loss. At present, the Company has no other comprehensive income or loss.

l) Share-based payments

The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to nonemployees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Income taxes

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the year, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date. Deferred tax assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

n) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Common share equivalents have been excluded from the computation of diluted loss per share for the years presented as including them would have been antidilutive.

o) Financial instruments

Financial instruments
The Company recognizes financial assets and liabilities on the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents is classified and measured at amortized cost.

Amounts receivable, accounts payable and accrued liabilities, and due to related parties
Amounts receivable, accounts payable and accrued liabilities, and due to related parties are non-interest bearing and are initially measured at fair value, subsequently recorded at amortized cost which approximates fair value due to the short term to maturity. Amounts receivable are classified as financial assets measured at amortized cost and accounts payable and accrued liabilities, notes payable and due to related parties are classified as financial liabilities measured at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Financial instruments (continued)

Debt
The Company initially recognizes all financial liabilities at fair value and classifies them as subsequently measured at either FVTPL or amortized cost, as appropriate. For debt subsequently measured at amortized cost, the effective interest rate method is used. Debt required to be classified as FVTPL is measured at fair value on each financial period-end date with gains and losses flowing through the consolidated statement of loss. For debt that is optionally classified as FVTPL, the part of the fair value change related to the Company's own credit risk is recorded in OCI rather than the consolidated statement of loss.

Impairment of financial assets
At each reporting date, the Company measures the loss allowance for the financial asset 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 financial asset has not increased significantly since initial recognition, we measure the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. 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.

Derecognition of financial assets
Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized within other non-operating income. Accumulated gains or losses on financial assets classified as FVOCI remain within accumulated other comprehensive income.

p) Credit on duties refundable for loss and refundable tax credit for resources

The Company is entitled to a credit on duties refundable for loss under the Mining Duties Act and a refundable tax credit for resources under the Quebec Income Tax Act. Those credits are calculated on qualified exploration expenditures incurred in the province of Quebec. Those credits are accounted for using the cost reduction method. Accordingly, they are recorded as a reduction of the related expenses or capital expenditures in the year the expenses are incurred provided there is reasonable assurance that the Company has compiled with all the conditions related to those credits and that those credits will be received.

The Company is entitled to the British Columbia Mineral Exploration Tax Credit ("BCMETC") relating to qualifying exploration expenses incurred in the province of British Columbia. Accordingly, BCMETC's are recorded as a reduction of the related expenses or capital expenditures in the year the expenses are incurred provided there is reasonable assurance that the Company has compiled with all the conditions related to those credits and that those credits will be received.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS

	Pine Pass (a)	Perk-Rocky (b)	Gaffney Gold (c)	Fuchsite Lake (d)	Savant Lake (e)	Campbell (f)	Ligneris (g)	Schefferville (h)	Bassano (i)	Deep Cove (j)	Virgin Arm (k)	Toogood (l)	La Purisima (n)	Total
Balance Dec 31, 2018	114,152	-	-	-	-	-	-	-	-	-	-	-	429,337	543,489
Acquisition costs:														
Cash payments	30,000	40,000	-	-	-	-	3,455	-	-	-	-	-	-	73,455
Share issuances	27,000	63,000	-	-	-	-	50,000	-	-	-	-	-	20,033	160,033
Write-down	(171,151)	-	-	-	-	-	-	-	-	-	-	-	(449,370)	(620,521)
Balance Dec 31, 2019	1	103,000	-	-	-	-	53,455	-	-	-	-	-	-	156,456
Acquisition costs:														
Cash payments	30,000	75,000	15,000	9,100	50,000	10,000	-	130,145	50,000	65,000	60,000	25,000	-	519,245
Share issuances	17,000	49,500	126,000	-	400,000	258,000	60,750	322,500	23,500	-	-	-	-	1,257,250
Write-down	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Dec 31, 2020	47,001	227,500	141,000	9,100	450,000	268,000	114,205	452,645	73,500	65,000	60,000	25,000	-	1,932,951

During the year ended December 31, 2020 the Company incurred the following exploration expenses:

	Pine Pass (a)	Perk-Rocky (b)	Gaffney Gold (c)	Fuchsite Lake (d)	Savant Lake (e)	Campbell (f)	Ligneris (g)	Schefferville (h)	Bassano (i)	Deep Cove (j)	Virgin Arm (k)	Toogood (l)	Iron Point (m)	Total
Administration	275	3,336	841	2,146	9,638	3,500	92,657	5,473	-	139	-	825	396	119,226
Assays	2,085	23,142	-	971	-	-	87,565	-	-	-	-	-	87	113,849
Camp costs	-	6,622	-	-	-	-	4,763	-	-	-	-	-	-	11,385
Drilling	-	-	-	-	-	-	206,823	-	-	-	-	-	-	206,823
Field equipment	-	902	-	-	1,186	-	8,880	-	-	-	-	-	-	10,968
Geological	-	124,007	6,137	12,966	63,856	18,356	169,882	60,331	885	12,324	3,668	-	89,236	561,647
Geophysics	-	5,402	15,270	19,872	155,645	81,582	37,675	295,278	-	-	-	-	269,213	879,938
Property maintenance	-	-	-	-	-	-	-	-	-	-	-	-	95,202	95,202
Travel	-	38,314	-	23	1,192	-	24,003	-	-	-	-	-	8,166	71,699
Balance Dec 31, 2020	2,360	201,725	22,248	35,978	231,517	103,438	632,248	361,082	885	12,463	3,668	825	462,300	2,070,737

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

During the year ended December 31, 2019 the Company incurred the following exploration expenses:

	Pine Pass	Perk-Rocky	Ligneris	Iron Point	La Purisima	Other	Total
	(a)	(b)	(g)	(m)	(n)		
Administration	368	685	129,483	-	-	-	130,536
Assays	19,635	38,768	49,622	153,839	2,064	2,649	266,577
Camp costs	-	1,701	24,918	-	14,459	-	41,078
Concession taxes	-	-	-	-	29,351	-	29,351
Drilling	-	-	700,148	1,338,866	279,255	-	2,318,269
Environmental	12,473	31,565	7,498	-	-	-	51,536
Field equipment	487	12,306	5,042	-	28,355	-	46,190
Geological	64,029	318,330	348,098	118,618	303,217	26,794	1,179,086
Geophysics	-	183,858	299,330	-	-	-	483,188
Metallurgy	47,868	516	-	-	-	-	43,384
Property maintenance	-	-	-	80,965	-	-	80,965
Resource modelling	6,414	-	74,676	-	-	-	81,090
Travel	29,730	109,372	94,351	3,045	19,991	1,922	258,411
Balance Dec 31, 2019	181,004	697,101	1,733,166	1,695,333	676,692	31,365	5,014,661

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

a) Pine Pass Project, British Columbia

On July 31, 2018, the Company entered into an option agreement to acquire a 100% interest in three vanadium projects (Pine Pass, Ursula and Tunnel) in north eastern British Columbia. The Company can earn a 100% interest in the three projects by making the following cash payments and share issuances:

	Cash	Shares
Within five days of TSX Venture acceptance	$80,000 (paid)	200,000 (issued)
On the first anniversary	$120,000	400,000
On the second anniversary	$160,000	600,000
On the third anniversary	$240,000	800,000
On the fourth anniversary	$400,000	1,000,000

If the Company completes the 100% acquisition of the three properties by making the above cash payments and share issuances the Company will grant to the vendors a 2.0% NSR royalty on all three projects, of which half can be repurchased at any time by the Company by paying the vendors $1,500,000.

During the year ended December 31, 2019, the company did not renew the Tunnel project.

On June 20, 2019, the area in which the Pine Pass Project is located became subject to a moratorium on resource development (the "Moratorium") imposed by the Province of British Columbia in connection with caribou protection strategies.

On July 31, 2019, the Company entered in an amended option agreement (the "Addendum") with the vendors whereby the previous cash payments and share issuances are suspended indefinitely, pending the lifting of the Moratorium. The Moratorium will be deemed to have been lifted when the Company is no longer restricted by the Moratorium from carrying out exploration and development activities on the Pine Pass Project (the "Reinstatement Date"). Per the Addendum, to maintain the option agreement in good standing, the Company must make the following cash payments and share issuances:

	Cash	Shares
Within five days of TSX Venture acceptance of the Addendum	$30,000 (paid)	100,000 (issued)
On July 31, 2020 (the "Second Interim Payment")	$30,000 (paid)	100,000 (issued)
If the Reinstatement Date falls after July 31, 2020	$60,000*	200,000*

* In the event the Moratorium is lifted, the final interim cash payment of $60,000 and the issuance of 200,000 shares will be credited towards the first anniversary payments under the original agreement and the remainder of the cash payments and share issuances will be due annually on the Reinstatement Date, as per the original agreement.

In addition to the above cash payments and shares issuance, by the fourth anniversary of the Reinstatement Date, the Company will conduct and complete a PEA in respect of any one of the properties (Pine Pass or Ursula).

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

a) Pine Pass Project, British Columbia (continued)

The Company will be making reasonable efforts to pursue any entitlement to compensation arising in connection with the Moratorium. In the event the Company is successful in recouping compensation, the Company shall first recover its costs and expenses incurred during this process with any remaining proceeds to be split evenly between the Company and the vendors.

Due to the uncertainty of the Moratorium, the Company wrote down the carry value of the Pine Pass project to $1 at December 31, 2019.

b) Perk-Rocky Project, British Columbia

On May 10, 2019, the Company entered into an option agreement to acquire a 100% interest in the Perk-Rocky project located 225km west of Williams Lake, British Columbia. The Company can earn a 100% interest in the Perk-Rocky Project by incurring exploration expenses totaling $350,000 (incurred) on or prior to the first anniversary of the agreement and by making $690,000 in cash payments and issuing 2,900,000 common shares of the Company as follows:

	Cash	Shares
Within five days of the execution date	$10,000 (paid)	-
Within five days of TSX Venture acceptance	$30,000 (paid)	300,000 (issued $63,000)
May 10, 2020	$75,000(paid)	450,000 (issued $49,500)
May 10, 2021	$175,000	700,000
May 10, 2022	$400,000	1,450,000

The Company must make US$3,850,000 in milestone payments, which are due within 30 days of the Company reaching each milestone as described below:

- US$350,000 in the event the Company obtains a technical report that is NI 41-101 compliant.
- US$500,000 in the event the Company obtains a Preliminary Economic Assessment.
- US$1,000,000 in the event the Company obtains a Feasibility Study.
- US$2,000,000 in the event the Company elects to put the property into commercial production.

Upon acquiring 100% interest in the property, the Company will grant the vendor a 3% NSR. The Company may repurchase 2% of the NSR for US$7 million.

On May 7, 2020, the Company amended the Perk-Rocky option agreement whereby the second anniversary payments of $175,000 in cash and 700,000 common shares are now due on or before August 16, 2021.

As at December 31, 2020, the Company had advanced a $37,500 (December 31, 2019 - $20,000) bond to the Government of British Columbia related to the ongoing exploration work at the Perk-Rocky project.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

c) Gaffney, BC

On September 11, 2020, the Company entered into an earn in agreement whereby the Company can earn a 100% interest in the Gaffney gold property located in central British Columbia.

The Company can earn a 100% interest in the Gaffney gold property by making the following cash and share payments:

	Cash	**Shares**
Within five days of the execution date	$15,000 (paid)	-
Within five days of TSX Venture acceptance	-	600,000 (issued)
On or before October 1, 2021	-	600,000
On or before October 1, 2022	-	600,000
On or before October 1, 2023	-	600,000

The vendor retains a 1% NSR royalty, of which the first 0.5% can be purchased for $500,000, and a second tranche of 0.5% may be purchased for $1,000,000. There are no work commitments.

d) Fuchsite Lake, Ontario

On August 5, 2020, the Company staked the Fuchsite Lake claim block ("Fuchsite Lake Gold Project") in the province of Ontario, which comprises 3750 hectares located 20 km north of the town of Armstrong, Ontario. Staking costs of $9,100 are included in mineral property acquisition costs.

On September 3, 2020, the Company entered into a definitive property option agreement with Cross River Ventures Corp. ("Cross River") whereby Cross River has been granted the right to acquire up to a 60% interest in the project by advancing to the Company total cash payments of $300,000 and 2,000,000 Cross River common shares. In addition, Cross River must incur $1,950,000 in exploration expenditures on the project. The schedule of cash payments, share issuances and exploration expenditures are as follows:

	Cash	**Shares**	**Work Commitment**
Upon signing	-	500,000 (received)	-
December 31, 2020	-	-	$100,000
On or before September 3, 2021	$75,000	500,000	-
December 31, 2021	-	-	$350,000
On or before September 3, 2022	$75,000	500,000	-
December 31, 2022	-	-	$750,000
On or before September 3, 2023	$75,000	500,000	-
December 31, 2023	-	-	$750,000
On or before September 3, 2024	$75,000	-	-

Upon Cross River earning their 60% interest, the Company will retain a 2% NSR royalty on the project. Cross River can acquire 1% of the NSR royalty by paying the Company a one-time cash payment of $1,000,000.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

e) Savant Lake, Ontario

On September 1, 2020, the Company entered into an earn in agreement with New Dimension Resources Ltd. ("New Dimension") whereby the Company can earn a 70% interest in the Savant Lake gold property located in the Savant Lake Greenstone Belt 240km northwest of Thunder Bay, Ontario.

The Company can earn a 70% interest in the Savant lake property by paying the optionor a total of $200,000 in cash, issuing 8,000,000 common shares of the Company, and completing $2,000,000 in exploration work, as follows:

	Cash	**Shares**	**Work Commitment**
Within five days of the execution date	$50,000 (paid)	-	-
Within five days of TSX Venture acceptance	-	2,000,000 (issued)	-
On or before September 20, 2021	$50,000	2,000,000	$500,000
On or before September 20, 2022	$50,000	2,000,000	$1,000,000
On or before September 20, 2023	$50,000	2,000,000	$500,000

If a mineral resource in excess of one million ounces of gold is defined on the property the Company will make additional payments to New Dimension of $50,000 in cash and issue 2,000,000 common shares of the Company.

f) Campbell Lake Gold Project

On October 6, 2020, the Company entered into an earn in agreement whereby the Company can earn a 100% interest in the Campbell Lake gold project located 40km north of the town of Armstrong, Ontario

The Company can earn a 100% interest in the Campbell Lake gold project by making the following cash and share payments:

	Cash	**Shares**
Within five days of the execution date	$10,000 (paid)	-
Within five days of TSX Venture acceptance	-	600,000 (issued)
Within five days of an airborne geophysics survey date	-	600,000 (issued)
On or before October 6, 2021	-	600,000
On or before October 6, 2022	-	1,800,000

There are no work commitments.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

g) Bassano, Quebec

On September 1, 2020, the Company entered into an earn in agreement whereby the Company can earn a 100% interest in the Bassano project, which is contiguous to the Company's Schefferville project in the province of Quebec.

The Company can earn a 100% in the Bassano project by paying the optionor a total of $200,000 in cash, 3,500,000 shares, and completing $500,000 in exploration work, as follows:

	Cash	Shares	Work Commitment
Within five days of the execution date	$50,000 (paid)	-	-
Within five days of TSX Venture acceptance	-	100,000 (issued)	-
November 15, 2021	$50,000	200,000	$125,000
November 15, 2022	$50,000	400,000	$125,000
November 15, 2023	$50,000	800,000	$125,000
November 25, 2024	-	2,000,000	$125,000

The optionor will retain a 2% NSR royalty of which the Company may purchase 1% for $1,000,000.

h) Ligneris Property, Quebec

On June 26, 2019, the Company entered into an earn in agreement with Société d'exploration minière Vior Inc. ("Vior") whereby the Company can earn a 70% interest in the Ligneris property, located 90 km north of Rouyn-Noranda, Quebec. The Company can earn a 51% interest in the Ligneris Property by issuing Vior 1,000,000 common shares of the Company and incurring $3,000,000 in exploration expenditures over the first four years of the agreements as follows:

	Work Commitment	Shares
Within ten days of TSX Venture acceptance	-	200,000 (issued)
On or before June 26, 2020	$750,000*	225,000 (issued)
On or before June 26, 2021	$750,000	250,000
On of before June 26, 2022	$750,000	325,000
On of before June 26, 2023	$750,000	-

Upon the Company earning its' initial 51% interest in the Ligneris Property, the Company will have 60 days to elect to earn an additional 19% interest in the Ligneris Property by incurring an additional $4,000,000 in exploration expenditures over the next three years, commencing from the date of the Company's election.

*Before the first anniversary the Company had satisfied its first-year work commitment.

4. MINERAL INTERESTS (continued)

i) Schefferville, Quebec

On August 5, 2020, the Company staked a total of 288 km^2 area in two claim blocks in the province of Quebec: the Sable block (234 km^2) is centered 80 kilometers northwest of Schefferville and the Hamard block (54 km^2) is centered 35 kilometers due west of Schefferville. Staking costs of $80,145 are included in mineral property acquisition costs.

On October 15, 2020, Ethos announced that it has purchased a 100% interest in 206 mineral claims covering 10,018 Ha (100.2 km2) contiguous to Ethos's newly staked Sable block, part of the Schefferville Gold Project, 85 km northwest of Schefferville, Quebec.

Purchase terms

Ethos has purchased the claims for $50,000 cash (paid) and 1.5 million shares of Ethos (issued). Additionally, there is a 2.0% NSR in favor of the vendors of which Ethos may purchase 1.0% for $1.0 million.

j) Toogood Project

On December 22, 2020, Ethos announced that it has entered into two earn-in agreements under which Ethos may earn a 100% interest in the 6,350 hectare (63.50 km2) Toogood claim group and the 1,800 hectare (18 km2) McGrath claim group located on New World Island, approximately 65 km north of Gander, Newfoundland. These projects are situated to the north-east of the Company's Deep Cove and Virgin Arm properties with good access by paved and gravel roads and trails. The Deep Cove, Virgin Arm, McGrath and Toogood claims will be collectively referred to as the Toogood Project.

Toogood Claim Group Earn-in Agreement:

Ethos can earn a 100% interest in the Toogood claim group by making the following cash and share payments:

- Cash payment of $25,000 on signing (paid)
- 2,500,000 shares on TSXV approval of the entrance into the earn-in agreement (issued)*
- 2,500,000 shares 12 months following signing.

* Issued subsequent to December 31, 2020.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased by Ethos for $1,000,000. There are no work commitments.

During December 2020, a finder's fee of 100,000 shares were issued in respect of the Toogood claim group transaction. The shares will be subject to a four-month hold period from the date of issuance of such shares pursuant to applicable securities laws.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

j) Toogood Project (continued)

McGrath Claim Group Earn-in Agreement:

Ethos can earn a 100% interest in the McGrath claim group by making the following share payments:

- 800,000 shares on TSXV approval of the entrance into the earn-in agreement. *
- 800,000 shares at 12 months following signing.

* Issued subsequent to December 31, 2020.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for $1,000,000. There are no work commitments.

Deep Cove Claim Group Earn-in Agreement:

Ethos can earn a 100% interest in the Deep Cove claim group by making the following share payments:

	Cash	Shares	Work Commitment **
Within five days of the execution date	$65,000 (paid)	-	-
Within five days of TSX Venture acceptance	-	600,000 (issued)*	-
On or before October 29, 2021	$45,000	600,000	$100,000
On or before October 29, 2022	$50,000	800,000	$100,000
On or before October 29, 2023	$120,000	1,200,000	$100,000

* Issued subsequent to December 31, 2020.
** Ethos shall incur exploration costs of $100,000 per year on the Deep Cover claim block.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for $1,000,000.

Virgin Claim Group Earn-in Agreement:

Ethos can earn a 100% interest in the Virgin claim group by making the following share payments:

	Cash	Shares
Within five days of the execution date	$60,000 (paid)	-
Within five days of TSX Venture acceptance	-	400,000 (issued)*
On or before October 29, 2021	$75,000	600,000
On or before October 29, 2022	$90,000	800,000
On or before October 29, 2023	$150,000	1,200,000

* Issued subsequent to December 31, 2020.

The vendor retains a 3% NSR royalty, of which the first 1.5% can be purchased for $1,500,000. There are no work commitments.

(Expressed in Canadian Dollars)

4. MINERAL INTERESTS (continued)

k) Iron Point Property, Nevada, USA

On May 16, 2019, the Company entered into an earn in agreement with Victory Metals Ltd. ("Victory") whereby the Company can earn a 50% undivided interest in the gold and silver rights at Victory's Iron Point vanadium project, located 35 km east of Winnemucca, Nevada. The Company can earn its 50% undivided interest by spending $5,000,000 over three years, including a minimum of $1,000,000 (incurred) in the first year. Following the earn-in, a 50-50 joint venture will be formed between the Company and Victory, exclusive to the gold and silver rights on the Iron Point property. On May 22, 2020, the Company and Victory amended the earn in agreement whereby the Company must expend $5,000,000 over five years (previously three years), including $1,000,000 (incurred) in the first year. Commencing on the first anniversary of the agreement, the Company must spend at least US$250,000 each year in exploration expenditures.

l) La Purisima, Mexico

On November 24, 2017, the Company, through its wholly owned Mexican subsidiary, Compañía Minera Roca Dorada, S.A. de C.V. ("Roca Dorada"), entered into an option to purchase agreement whereby the Company has the right to acquire a 100% interest in the La Purisima project, located in Chihuahua, Mexico (the "Property").

Pursuant to the option purchase agreement, the Company had the option to acquire 100% of the Property by making cash payments totaling US$3,495,000; issuing 3,000,000 common shares of the Company over a 72-month period and upon exercising the option granting a 2% net smelter returns royalty of which 1% could be repurchased for US$1 million.

On August 24, 2018, the Company, through its wholly owned Mexican subsidiary, Roca Dorada, entered into an option to purchase agreement whereby the Company owns the right to acquire a 100% interest in 897 hectares of mineral concessions contiguous to the Company's La Purisima project, located in Chihuahua, Mexico. The Company, at its sole election, can exercise its option to earn its' 100% interest in the property at any time during the 10 years following the closing of the option agreement by paying the vendor US$550,000. To retain its right to acquire a 100% interest in the contiguous concessions the Company must make advance net smelter returns royalty ("NSR") payments to the vendor as follows:

	Cash
On closing	US$25,000 - paid
On the first anniversary of closing	US$35,000
On the second anniversary of closing	US$35,000
On the third anniversary of closing and every subsequent year thereafter until commercial production has commenced	US$50,000

In addition to the cash payments, the Company issued 1,500,000 share purchase warrants entitling the vendor to acquire 1,500,000 common shares of the Company at a price of $0.15 per share, subject to certain vesting periods. Upon exercising the option, the Company will grant the vendor a 2.0% NSR on the property, of which half can be repurchased at any time by the Company by paying the vendor US$1,000,000.

During the year ended December 31, 2019, the Company provided termination notices to the vendors of the La Purisima concessions and wrote down $449,370 in acquisition costs. Upon termination, 1,000,000 warrants were cancelled prior to vesting.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

	December 31, 2020	December 31, 2019
GST receivable	67,551	163,111
QST receivable	237,743	168.476
IVA receivable (Mexico)	-	130,205
Other	1,575	1,575
Balance	306,869	463,367

6. INVESTMENTS

Ridgeline Minerals Corporation

On April 12, 2019, the Company subscribed for 1,650,000 shares at a price of $0.12 per share in a private British Columbia corporation, Carlin Type Holdings Ltd. ("CTH"), for total proceeds of $198,000. CTH's wholly owned Nevada subsidiary, Ridgeline Minerals Corporation ("Ridgeline"), has options to acquire a 100% interest in three gold exploration projects in Nevada: Carlin-East, Swift and Selena.

On December 12, 2019, the Company subscribed for an additional 250,000 shares at a price of $0.22 in CTH, for total proceeds of $55,000.

On August 17, 2020, CTH completed an initial public offering and is listed on the TSX Venture Exchange under the name Ridgeline.

On October 5, 2020 the Company received 500,000 common shares in Cross River with a fair market value of $198,000 relating to the Company's Fuchsite property option agreement with Cross River (Note 4(d)).

As at December 31, 2020 the company owns 1,900,000 (2019 – 1,900,000) shares of Ridgeline with a total cost base of $253,000 (2019 – $253,000) and a fair value of $988,000 (2019 – $418,000) and 500,000 common shares of Cross River with a total cost base of $198,000 (2019 – $Nil) and a fair value of $170,000 (2019 – $Nil)

During the year ended December 31, 2020, the Company recognized $542,000 in the change in fair value of investments.

7. TAX CREDIT RECEIVABLE

As at December 31, 2020, the Company has tax credits receivable of $106,138 (December 31,2019 - $106,138), which consists of BCMETC receivable.

8. PROPERTY, PLANT AND EQUIPMENT

During the year ended December 31, 2019, the company acquired a building in the province of Quebec, Canada for total proceeds of $69,168. The Company has recorded cumulative amortization expense of $887 (2019 - $197), of which $690 (2019 - $nil) is included in the statement of loss and comprehensive loss for the year ended December 31, 2020. During the year ended December 31, 2020 the Company sold the building in Quebec for proceeds $78,861 of and realized a gain on the sale of $10,383.

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Common shares – issued and outstanding

Common shares - At December 31, 2020 the Company had 94,892,015 (December 31, 2019 – 63,217,013) common shares issued and outstanding.

Preferred shares – At December 31, 2020 and December 31, 2019 no preferred shares were issued and outstanding.

Year-ended December 31, 2020

On December 4, 2020, the Company issued 1,200,000 common shares relating to the acquisition of the Campbell mineral property (Note 4) with a fair value of $258,000.

On November 17, 2020, the Company issued 1,200,000 common shares relating to the acquisition of the Schefferville mineral property (Note 4) with a fair value of $322,500.

On November 17, 2020, the Company completed a non-brokered private placement and issued 500,000 units of the Company at a price of $0.20 per unit for gross proceeds of $100,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a purchase price of $0.40 per share until November 17, 2025.

On November 2, 2020, the Company issued 600,000 common shares relating to the acquisition of the Gaffney mineral property (Note 4) with a fair value of $126,000.

On October 23, 2020, the Company issued 2,000,000 common shares relating to the acquisition of the Savant Lake mineral property (Note 4) with a fair value of $400,000.

On October 8, 2020, the Company issued 100,000 common shares relating to the acquisition of the Bassano mineral property (Note 4) with a fair value of $23,500.

On September 3, 2020, the Company completed a private placement of 10,000,000 units priced at $0.14 per unit for gross proceeds of $1,400,000. Each unit comprises of one common share, and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.20 for a period of two years. The common share purchase warrants are subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a volume weighted average price ("VWAP") basis of $0.40 or more for a period of ten consecutive trading days. In connection with the financing, the Company paid finders fees of $5,390 in cash and issued 116,925 finder's warrants ($19,608) entitling the holder to purchase one common share of the Company at an exercise price of $0.20 for a period of two years. The Company incurred additional share issuance costs of $15,137.

9. SHARE CAPITAL (continued)

(b) Common shares – issued and outstanding (continued)

Year-ended December 31, 2020 (continued)

On September 3, 2020, the Company completed a flow through private placement of 2,000,000 flow through units priced at $0.16 per unit for gross proceeds of $320,000. Each unit comprises one flow through share, and one half of one non-flow through common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.22 for a period of two years. The common share purchase warrants are subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a VWAP basis of $0.40 or more for a period of ten consecutive trading days.

On September 3, 2020, the Company completed a flow through private placement of 3,000,000 flow through units priced at $0.18 per unit for gross proceeds of $540,000. Each unit comprises one flow through share, and one half of one non-flow through common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at an exercise price of $0.24 for a period of two years. The common share purchase warrants are subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a VWAP basis of $0.40 or more for a period of ten consecutive trading days.

On September 3, 2020, the Company completed a non-brokered private placement of 10,000,000 units priced at $0.21 per unit for gross proceeds of $2,100,000. Each unit comprises one common share, and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.28 for a period of two years. The common share purchase warrants are subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a VWAP basis of $0.55 or more for a period of ten consecutive trading days. In connection with the financing, the Company paid finders fees of $33,948 in cash and issued 109,375 finder's warrants ($15,914) entitling the holder to purchase one common share of the Company at an exercise price of $0.28 for a period of two years. The Company incurred additional share issuance costs of $39,883.

On August 11, 2020, the Company issued 225,000 common shares relating to the acquisition of the Ligneris mineral property (Note 4) with a fair value of $60,750.

On August 4, 2020, the Company issued 100,000 common shares relating to the acquisition of the Pine Pass mineral property (Note 4) with a fair value of $17,000.

On May 7, 2020, the Company issued 450,000 common shares relating to the acquisition of the Perk Rocky mineral property (Note 4) with a fair value of $49,500.

9. SHARE CAPITAL (continued)

(b) Common shares – issued and outstanding (continued)

Year-ended December 31, 2019

On November 26, 2019, the Company completed a non-brokered private placement of 6,531,632 flow-through units of the Company at a price of $0.27 cents per flow through unit for gross proceeds of $1,763,541. Each flow through unit consists of one common share of the Company to be issued on a flow-through basis under the Income Tax Act (Canada) and one-half of one non-flow through common share purchase warrant Each whole warrant entitles the holder to purchase one non-flow-through common share of the Company at a purchase price of $0.30 for a period of two years from the date of issuance. The Company recognized share issuance costs of $13,290 and a flow through premium liability of $653,163 on issuance. The residual value of the private placement of $1,110,378 was allocated to share capital. During the year ended December 31, 2019, $nil in flow through share premium was reallocated to other income as a result of the Company incurring qualifying exploration expenses during the period.

On August 2, 2019, 100,000 stock options with an exercise price of $0.20 were exercised for gross proceeds to the Company of $20,000.

On July 31, 2019, the Company issued 100,000 common shares relating to the acquisition of the Pine Pass mineral property (Note 4) with a fair value of $27,000.

On July 26, 2019, the Company issued 200,000 common shares relating to the acquisition of the Ligneris mineral property (Note 4) with a fair value of $50,000.

On June 10, 2019, the Company completed a non-brokered private placement and issued 1,125,000 units of the Company at a price of $0.20 per unit for gross proceeds of $225,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a purchase price of $0.40 per share until June 10, 2021.

On June 4, 2019, the Company issued 300,000 common shares relating to the acquisition of the Perk Rocky mineral property (Note 4) with a fair value of $63,000.

On January 24, 2019, 175,000 stock options with an exercise price of $0.15 per share were exercised for gross proceeds of $26,250.

(c) Share purchase options

Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant.

On June 22, 2010, the Company implemented a new Share Option Plan for the benefit of directors, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine. The maximum aggregate number of common shares that may be reserved for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

On November 5, 2020, the Company granted an aggregate of 4,000,000 stock options to officers, directors, advisors and consultants of the Company, exercisable at $0.22 per share for a period of five years.

A summary of the status of the Company's share purchase options outstanding is presented below:

	December 31, 2020		December 31, 2019	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of year	5,340,000	$0.20	4,765,000	$0.20
Granted	4,000,000	$0.22	1,000,000	$0.20
Exercised	-	-	(275,000)	$0.17
Expired	(225,000)	$0.15	(150,000)	$0.30
Outstanding at end of year	9,115,000	$0.20	5,340,000	$0.20

As at December 31, 2020, the following share purchase options were outstanding and exercisable:

Expiry date	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining contractual life (in years)	Exercisable Options
Jun 22, 2021	865,000	$0.30	0.47	865,000
Jan 10, 2022	400,000	$0.20	1.03	400,000
Dec 3, 2022	250,000	$0.20	1.92	250,000
Jul 26, 2023	2,650,000	$0.17	2.48	2,650,000
Dec 4, 2023	350,000	$0.23	2.93	350,000
May 31, 2024	600,000	$0.20	3.42	600,000
Nov 5, 2025	4,000,000	$0.22	4.85	4,000,000
	9,115,000	$0.21	3.33	9,115,000

The weighted average grant-date fair value of share purchase options granted during the year ended December 31, 2020 was $0.12 (December 31, 2019 - $0.11) per share purchase option. The Company determines the fair value of options granted using the Black-Scholes model for share purchase options issued to employees. The Company determines the fair value of share purchase options issued to non-employees using the value of services provided by the non-employees.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(c) Share purchase options (continued)

The following weighted-average grant date assumptions were used in valuing share purchase options granted during the years to directors, officers and employees:

	December 31, 2020	December 31, 2019
Weighted average share price	0.12	$0.19
Weighted average exercise price	0.22	$0.20
Risk-free interest rate	0.38%	1.58%
Expected volatility (1)	68%	78.80%
Expected years of option life (2)	5	5
Expected dividends	Nil	Nil

(1) The volatility was calculated using the Company's historical information and industry benchmarks.
(2) The effects of early exercise were not incorporated into the model as the options are expected to be held for the contractual life.

(d) Share purchase warrants

As at December 31, 2020 the Company had share purchase warrants outstanding entitling the holders to acquire common shares as follows:

	December 31, 2020		December 31, 2019	
	Number of warrants	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
Balance, beginning of period	12,267,286	$0.20	8,876,470	$0.20
Granted	13,226,298	$0.24	4,390,816	$0.20
Expired	(3,500,000)	$0.30	(1,000,000)	$0.30
Balance, end of period	21,993,584	$0.27	12,267,286	$0.20

As at December 31, 2020 the Company had share purchase warrants outstanding entitling the holders to acquire common shares as follows:

Expiry date	Outstanding warrants	Weighted average exercise price	Weighted average remaining life (in years)
June 10, 2021	1,125,000	$0.40	0.44
November 12, 2021	3,876,470	$0.30	0.87
November 26, 2021	3,265,816	$0.30	0.90
September 3, 2022	5,116,924	$0.20	1.67
September 3, 2022	1,000,000	$0.22	1.67
September 3, 2022	1,500,000	$0.24	1.67
September 3, 2022	5,109,374	$0.28	1.67
November 17, 2022	500,000	$0.40	1.88
August 24, 2023	500,000	$0.20	2.65
	21,993,584		

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE

		December 31, 2020		December 31, 2019
Trade payables	$	119,802	$	321,853
Indemnity payable		-		109,498
Part XII.6 tax payable		-		15,386
Other		-		26,109
	$	119,802	$	472,746

11. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

		December 31, 2020		December 31, 2019
Consulting fees	$	290,000	$	178,000
Share-based compensation		313,959		25,040
	$	603,959	$	203,040

Other related party transactions

During the year ended December 31, 2020, $17,325 (2019 – $16,500) was paid for rent to a director of the Company.

Due to/from related parties

As at December 31, 2020, $10,500 (2019 – $2,234) is owed to an officer and director of the Company for consulting fees. This amount is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing.

(Expressed in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

	2020	2019
Interest received	$ 23,192	$ 111,600
Interest paid	-	-

During the year ended December 31, 2020, the Company entered into the following non-cash transactions:

- The Company recognized $1,257,250 in mineral interest acquisition costs related to 6,175,000 common shares issued for mineral properties (Note 4).
- The Company recognized $198,000 in the statements of loss and comprehensive loss related to 500,000 common shares received as a recovery for mineral properties (Note 4).

During the year ended December 31, 2019, the Company entered into the following non-cash transactions:

- The Company recognized a flow through premium on its private placement of $653,163.
- The Company issued 600,000 common shares for mineral interests valued at $133,000.
- The Company recognized $20,033 in mineral interest acquisition costs related to the vesting of warrants that were previously issued for the La Purisima mineral interest.
- The Company reallocated $25,554 from share option reserve to share capital upon the exercise of 275,000 stock options.
- The reallocated $32,888 in share warrant reserve to deficit upon the cancellation of 1,000,000 unvested warrants.

13. SEGMENT INFORMATION

(a) The Company operates in one industry segment (note 1).

(b) At December 31, 2020 and December 31, 2019, the Company's mineral interests were located as follows:

	December 31, 2020	December 31, 2019
Mineral interests		
British Columbia, Canada	$ 415,501	$ 267,152
Ontario, Canada	$ 727,100	$ -
Quebec, Canada	$ 640,350	$ 53,455
Newfoundland, Canada	$ 150,000	$ -

The Company's other assets and liabilities and net expenses are attributable to its corporate office and exploration and project evaluation activities in Canada, United States and Mexico.

14. COMMITMENT AND CONTINGENCIES

During the year ended December 31, 2019, the Company expended the full amount of the proceeds from the flow through financing that closed in fiscal 2018, resulting in $350,000 being reallocated from flow through share premium to other income during the year. However, as a result of the Pine Pass moratorium (Note 3), the Company was only able to expend $878,105 in the province of British Columbia during fiscal 2019 and as a result recorded an indemnity expense of $109,498 to reimburse subscribers for the loss of certain tax credits. As at December 31, 2019, $109,498 was payable to subscribers, which was paid during the year ended December 31, 2020.

During the year ended December 31, 2019, the Company closed a flow through financing (Note 9) and recognized a flow through share premium liability of $653,163. During the year ended December 31, 2020, the Company incurred qualifying flow through expenditures resulting in $368,227 being reallocated from flow through share premium to other income during the period.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to pursue its objectives. The Company measures its capital as its shareholders' equity. The Company's primary source of capital is the issuance of equity.

The Company manages and adjusts its capital structure whenever changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company may require additional funding to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through at least the next twelve months. There are no external restrictions on the Company's capital.

16. MANAGEMENT OF FINANCIAL RISK

The Company is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities. The Company is not exposed to significant market or other price risks.

<u>Credit risk</u>

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are on deposit at a major financial institution. Amounts receivable consist primarily of goods and services tax refunds due from the Government of Canada and are neither past due nor impaired. As such, the Company considers its exposure to credit risk to be minimal.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable, accrued liabilities and amounts due to related parties, which are all due on demand. The Company uses cash forecasts to ensure as far as possible that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due.

(Expressed in Canadian Dollars)

16. MANAGEMENT OF FINANCIAL RISK (continued)

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Company's financial instruments. The Company is exposed from time to time to interest rate risk as a result of holding fixed rate temporary investments of varying maturities. The Company reduces the risk that it will realize a loss as a result of a decline in the fair value of these investments by limiting these investments to highly liquid securities with short-term maturities.

As at December 31, 2020, the Company estimates that a 1% change in prevailing interest rates would change the fair value of future cash flows from the Company's financial instruments by approximately $2,000 (December 31, 2019 - $11,000).

17. INCOME TAXES

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 27% (2019 – 27%) to the income for the year and is reconciled as follows:

	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
Loss before income taxes	(3,247,780)	(6,396,501)
Statutory Canadian federal and provincial tax rates	27%	27%
Expected tax (recovery)	(877,000)	(1,727,000)
Permanent differences	92,000	(473,000)
Impact of flow through shares	232,000	-
Share issue cost	(10,000)	-
Change in unrecognized deductible temporary differences	563,000	1,254,000
Deferred income tax expense (recovery)	-	-

The tax effects on the temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

		2020		2019
Non-capital losses	$	2,607,000	$	2,203,000
Property and Equipment		60,000		44,000
Share issuance costs		8,000		-
Marketable securities		(95,000)		-
Exploration and evaluation assets		2,941,000		3,049,000
		5,521,000		5,296,000
Unrecognized deferred tax assets		(5,521,000)		(5,296,000)
Net deferred tax liability	$	-	$	-

(Expressed in Canadian Dollars)

17. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have been included on the statement of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	10,303,000	No expiry date	-	No expiry date
Investment tax credit	170,000	2021 to 2040	-	2020 to 2039
Marketable securities	(707,000)	No expiry date	-	No expiry date
Property and Equipment	221,000	No expiry date	-	No expiry date
Share issuance costs	28,000	2040 to 2044	-	2039 to 2043
Non-capital losses	6,654,000	2026 to 2040	8,166,429	2026 to 2039

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

18. SUBSEQUENT EVENTS

- On February 3, 2021, entered into an earn-in agreement under which the Company may acquire 100% interest in the Fairchild Lake claim block by making the following cash and share payments:
  - Cash payment of $5,000 on signing (paid)
  - 500,000 shares within 5 days of Exchange acceptance (issued)
  - 500,000 shares within 9 months of signing
  - 500,000 shares within 18 months of signing

  There are no work commitments or royalties payable

- On February 15, 2021, the Company entered into an earn-in agreement under which the Company may acquire a 100% interest in the Schefferville Ashuanipi Property by making $100,000 in cash payments and issuing 2,000,000 shares on closing. Ethos has committed to spending $500,000 over three years on the claims with any shortfall resulting in a cash payment to the vendor in an amount equal to a prorated cash payment of $100,000. If the commitment is satisfied, no such payment is required. The Vendors will retain a 2.0% NSR royalty on the Property, of which 1.0% may be repurchased by the Company for $1,000,000.

- On February 18, 2021, the Company issued 2,600,000 common shares relating to the acquisition of the Toogood mineral property (Note 4) with a fair value of $494,000.

- On February 18, 2021, the Company issued 600,000 common shares relating to the acquisition of the Deep Cove claim group (Note 4) with a fair value of $114,000.

- On February 18, 2021, the Company issued 400,000 common shares relating to the acquisition of the Toogood mineral property (Note 4) with a fair value of $76,000.

18. SUBSEQUENT EVENTS (continued)

- On March 7, 2021, the Company entered into an earn-in agreement under which the Company may acquire a 100% interest in the 4,400-hectare Heaven Lake claim block by making the following cash and share payments:
    - Cash payment of $23,300 on signing (paid)
    - 2,000,000 shares within 5 days of Exchange acceptance (issued)
    - 2,000,000 shares within 12 months of signing
    - 2,000,000 shares within 24 months of signing

  There are no work commitments or royalties payable

- On March 11, 2021, the Company issued 800,000 common shares relating to the acquisition of the McGrath claim group (Note 4) with a fair value of $176,000.

- On March 29, 2021, the Company issued 2,000,000 common shares relating to the acquisition of the Ashuanipi Property with a fair value of $360,000.

- On March 29, 2021, the Company issued 500,000 common shares relating to the acquisition of the Fairchild Lake mineral property with a fair value of $90,000.

- On April 1, 2021, the Company closed the first tranche of its Private Placements consisted of the following:
    - a British Columbia flow through private placement of 2,796,168 flow through units priced at $0.24 per unit for gross proceeds of $671,080. Each unit will comprise one flow through share, and one half of one non-flow through common share purchase warrant. Each whole such warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for a period of two years following closing. The common share purchase warrants will be subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a volume weighted average price ("VWAP") basis of $0.60 or more for a period of ten consecutive trading days.

    - an Ontario flow through private placement of 716,666 flow through units priced at $0.24 per unit for gross proceeds of $172,000. Each unit will comprise one flow through share, and one half of one non-flow through common share purchase warrant. Each whole such warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for a period of two years following closing. The common share purchase warrants will be subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a volume weighted average price ("VWAP") basis of $0.60 or more for a period of ten consecutive trading days.

    - a national flow through private placement of 5,161,365 flow through units priced at $0.22 per unit for gross proceeds of $1,135,500. Each unit will comprise one flow through share, and one half of one non-flow through common share purchase warrant. Each whole such warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for a period of two years following closing. The common share purchase warrants will be subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a volume weighted average price ("VWAP") basis of $0.60 or more for a period of ten consecutive trading days.

18. SUBSEQUENT EVENTS (continued)

- a national charity flow through private placement of 3,277,800 flow through units priced at $0.25 per unit for gross proceeds of $819,450. Each unit will comprise one flow through share, and one half of one non-flow through common share purchase warrant. Each whole such warrant will be exercisable into one common share of the Company at an exercise price of $0.40 for a period of two years following closing. The common share purchase warrants will be subject to acceleration at the Company's discretion in the event its common shares trade on the TSX Venture Exchange on a volume weighted average price ("VWAP") basis of $0.60 or more for a period of ten consecutive trading days.

The Private Placements are subject to the final acceptance of the TSX Venture Exchange, and all securities issued or issuable under the Private Placements will be subject to a 4-month hold period expiring on August 2, 2021. The Company paid cash Finders fees of $110,855 and issued an aggregate of 347,347 Finders Warrants in connection with the Private Placements.

- On April 12, 2021, the Company issued 2,000,000 common shares relating to the acquisition of the Heaven Lake mineral property with a fair value of $380,000.