NORDEN CROWN METALS CORPORATION
(FORMERLY BOREAL METALS CORP.)
(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

YEAR ENDED DECEMBER 31, 2020
(Expressed in Canadian dollars)

Independent auditor's report

To the Shareholders of Norden Crown Metals Corporation (formerly "Boreal Metals Corp.")

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Norden Crown Metals Corporation (formerly "Boreal Metals Corp.") and its subsidiaries (together, the Company) as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

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

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Comparative information

The financial statements of the Company for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on June 12, 2020.

Other information

Management is responsible for the other information. The other information comprises the 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 identified above 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.

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 Mark Platt.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

NORDEN CROWN METALS CORPORATION (FORMERLY BOREAL METALS CORP.) (an exploration stage company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	*Notes*	**December 31, 2020 ($)**	**December 31, 2019 ($)**
Assets			
Current assets			
Cash and cash equivalents		1,140,337	115,905
Receivables		4,352	39,026
Prepaid and deposits		32,483	833
		1,177,172	**155,764**
Non-current assets			
Reclamation bond		15,612	49,073
Exploration and evaluation assets	*4*	4,727,518	4,014,040
Advanced royalty payments	*4*	117,910	52,824
Equipment	*5*	3,403	56,152
		6,041,615	**4,327,853**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*6*	647,289	505,875
Advance from option partner		86,415	-
Short-term loan	*7*	491,235	785,895
		1,224,939	**1,291,770**
Shareholders' Equity			
Share Capital	*8*	12,835,021	9,389,334
Reserves	*8*	1,027,387	973,103
Deficit		(9,045,732)	(7,326,354)
		4,816,676	**3,036,083**
		6,041,615	**4,327,853**

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board of Directors on April 29, 2021.

"Patricio Varas"
Patricio Varas, Director

"Jon Sherron"
Jon Sherron, Director

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

NORDEN CROWN METALS CORPORATION (FORMERLY BOREAL METALS CORP.) (an exploration stage company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Notes	**Years ended December 31,**	
		2020	2019
		($)	($)
EXPENSES			
Consulting fees	*9*	**87,519**	44,204
Depreciation		**13,419**	17,500
General exploration expenditures		**27,908**	-
Foreign exchange		**43,123**	41,809
Legal and accounting	*9*	**428,097**	357,081
Management fees	*9*	**384,926**	542,861
Office expenses and salaries		**74,113**	112,530
Share-based payments	*8*	**54,284**	204,716
Shareholder communication		**149,957**	283,371
Travel		**23,856**	163,807
		(1,287,203)	(1,767,879)
OTHER ITEMS			
Interest expense		**(110,558)**	(12,439)
Loss on settlement of amounts owing		**(70,125)**	-
Loss on extinguishment of loan		**(257,890)**	-
Impairment of exploration and evaluation assets		**-**	(1,075,875)
Loss from discontinued operations		**-**	(685,071)
Gain on disposal of assets		**6,397**	-
Loss and comprehensive loss		**(1,719,378)**	(3,541,264)
Basic and diluted loss per share		**(0.02)**	(0.05)
		(#)	(#)
Weighted-average number of common shares outstanding		**98,054,193**	73,630,894

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

(Expressed in Canadian Dollars)

	Years ended December 31,	
	2020	2019
	($)	($)
Operating Activities		
Net loss for the year	**(1,719,378)**	(3,541,264)
Items not involving cash:		
Writedown of exploration exploration and evaluation assets	**-**	1,075,875
Interest expense	**110,597**	13,220
Loss on settlement of amounts owing	**70,125**	-
Loss on extinguishment of loan	**257,890**	-
Disposition of equipment	**(5,670)**	-
Depreciation	**13,419**	17,500
Share based payments	**54,284**	204,716
Loss on disposal of BBMSAB	**-**	688,471
Change in non-cash operating working capital items:		
Prepaids and receivables	**3,024**	174,211
Accounts payable and accrued liabilities	**26,350**	546,733
Net assets from discontinued operations	**-**	-
Cash used in operating activities	**(1,189,359)**	(820,538)
Investing Activities		
Reclamation bond returned (paid)	**33,461**	(41,423)
Exploration and evaluation expenditures	**(685,525)**	(1,328,391)
Advance from option partner	**355,875**	-
Advance royalty payments	**(65,086)**	(52,824)
Purchase of equipment	**-**	(1,977)
Cash used in investing activities	**(361,275)**	(1,424,615)
Financing Activities		
Proceeds from private placements	**2,593,546**	1,620,789
Share issuance costs	**(18,480)**	(18,100)
Short term loan	**-**	545,690
Cash provided by (used in) financing activities	**2,575,066**	2,148,379
Increase (decrease) in cash during the year	**1,024,432**	(96,774)
Cash from discontinued operations	**-**	(12,551)
Cash and cash equivalents, beginning of year	**115,905**	225,230
Cash and cash equivalents, end of year	**1,140,337**	115,905

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

NORDEN CROWN METALS CORPORATION (FORMERLY BOREAL METALS CORP.) (an exploration stage company)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of Shares (#)	**Capital stock** ($)	**Stock options** ($)	**Warrants** ($)	**Deficit** ($)	**Total shareholders' deficit** ($)
Balance, December 31, 2018	**58,849,895**	**8,044,371**	**271,814**	**238,847**	**(3,785,090)**	**4,769,942**
Shares issued for cash	17,060,934	1,364,875	-	255,914	-	1,620,789
Share issuance costs - cash	-	(18,100)	-	-	-	(18,100)
Share issuance costs - shares	120,800	-	-	-	-	-
Share issuance costs - warrants	-	(1,812)	-	1,812	-	-
Share based payments	-	-	204,716	-	-	204,716
Net loss	-	-	-	-	(3,541,264)	(3,541,264)
Balance, December 31, 2019	**76,031,629**	**9,389,334**	**476,530**	**496,573**	**(7,326,354)**	**3,036,083**
Shares issued for cash	47,155,376	2,593,546	-	-	-	2,593,546
Share issuance costs - cash		(18,480)	-	-	-	(18,480)
Share issuance costs - units	336,000	-	-	-	-	-
Shares issued for settlement of amounts owing	2,305,273	207,474	-	-	-	207,474
Shares issued for extinguishment of loan	7,368,304	663,147	-	-	-	663,147
Share based payments	-	-	54,284	-	-	54,284
Net loss	-	-	-	-	(1,719,378)	(1,719,378)
Balance, December 31, 2020	**133,196,582**	**12,835,021**	**530,814**	**496,573**	**(9,045,732)**	**4,816,676**

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

1. NATURE OF OPERATIONS, GOING CONCERN AND IMPACT OF COVID-19

Norden Crown Metals Corporation (formerly Boreal Metals Corp.) (the "Company" or "Norden"), incorporated under the Business Corporations Act, British Columbia on December 31, 2013, is an exploration stage company engaged principally in the acquisition, exploration and development of mineral properties in Sweden and Norway. The Company's head office address is Suite 340 - 233 West 1st Street, North Vancouver, BC V7M 1B3.

On October 19, 2020, the Company changed its name to Norden Crown Metals Corporation and on October 21, 2020, the common shares of Company commenced trading on the TSX-V under the new symbol NOCR, without change to the Company's capital structure.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less any amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company raising capital, the sale or entering into a joint venture of the Company's exploration and evaluation assets, and/or the attainment of profitable operations.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for at least twelve months from the end of the reporting period. The Company has incurred ongoing losses and expects to incur further losses in the advancement of its business. At December 31, 2020, the Company had cash of $1,140,337, (December 31, 2019: $115,905) a working capital deficit of $47,767 (December 31, 2019: $1,136,006) and an accumulated deficit of $9,045,732 (December 31 2019: $7,314,569). For the year ended December 31, 2020, the company incurred losses of $1,719,378 (2019: $3,541,264) and used cash in operations of $1,189,359 (2019: $820,538).

The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow and its ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties. There can be no assurance that the Company will be successful in raising sufficient funding to be available to conduct further exploration and development of its mineral properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements; however, there is no assurance that the Company will be successful in these actions. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future fiscal years. The Company continues to operate its business, and adheres to Canadian, Swedish and Norwegian Federal, Provincial and regional emergency measures as those are developed. These government measures, which could include government mandated temporary closures of international borders, of the Company or its contractors or restrictions on travel of various personnel, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company continues to evaluate the best way to move its exploration activities forward during this time and when emergency measures are lifted.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). They have been prepared on a historical cost basis, except for certain financial instruments, which are measured at their fair value. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. The consolidated financial statements are presented in Canadian dollars, except where otherwise noted.

These consolidated financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on April 29, 2020.

b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as follows:

		% interest as at	
Subsidiaries	Country of incorporation	December 31, 2020	December 31, 2019
First Ferro Mining Ltd. ("First Ferro") (1)	Canada	0.0%	100.0%
Iekelvare Minerals AB ("Iekelvare")	Sweden	100.0%	100.0%
NOR Exploration AB ("NOR")	Sweden	100.0%	100.0%
Boreal Energy Metals Corp. ("BEMC")	Canada	90.1%	90.1%
Boreal Battery Metals Scandinavia AB ("BBMSAB") (2)	Sweden	0.0% (3)	0.0% (3)

(1) Dissolved during the year ended December 31, 2020
(2) Previously wholly owned by BEMC.
(3) BEMC sold 100% interest in BBMSAB on November 5, 2019 (Note 12).

All intercompany transactions and balances have been eliminated.

c) Foreign currency transactions

The functional and presentation currency of the Company and each of its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transaction. Monetary items are translated at the exchange rate in effect at the statement of financial position date. Translation gains and losses are reflected in the consolidated statements of loss and comprehensive loss for the period.

d) Significant accounting policy judgments and estimates

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

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

Judgments

(i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the consolidated financial statements is a key judgment.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months from the reporting date. The assessment of the Company's liquidity position takes into account the Company's working capital position, the timing of discretionary and non-discretionary expenditures and also the status of any potential equity financings.

(ii) The assessment of whether indicators of impairment exist for the Company's exploration and evaluation assets is a key judgment.

The assessment for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as whether: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management reviewed exploration and evaluation assets for the year ended December 30, 2020 and did not identify any impairment indicators (2019: impairment of $1,075,875).

While management believes that its judgments and estimates are reasonable, actual results could differ from those estimates and could impact future results and cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents is comprised of bank deposits and highly-liquid investments, which are readily convertible into known amounts of cash and which mature within 90 days from the original dates of acquisition.

b) Financial Instruments

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

<u>Measurement</u>

Financial assets and liabilities at amortized cost: Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Derecognition</u>

Financial assets: The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities: The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

c) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, consultants and advisors. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of stock-based compensation previously recorded in contributed surplus.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

d) Exploration and evaluation assets

Exploration and evaluation expenditures are recorded at cost on a property by property basis once the Company has the legal right to explore the related property. The Company capitalizes all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties, until those properties are brought into production, at which time, they will be amortized on a unit of production basis, or until the properties are abandoned, sold or considered to be impaired in value. Costs incurred for general exploration, including expenditures of a general reconnaissance nature, that are not project specific or do not result in the acquisition of exploration and evaluation properties are charged to net loss.

At the end of each reporting period, the Company's exploration and evaluation assets are assessed 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 the asset's fair value less costs of disposal and its 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.

e) Equipment

On initial recognition, equipment is valued at cost, which includes the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. Any corresponding liabilities are recorded as provisions. When major components of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses. Equipment is amortized over its estimated useful lives at the following rates and methods:

Containers	5 years	Straight-line method
Vehicles	5 years	Straight-line method
Computers	5 years	Straight-line method

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

f) Income taxes

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax: The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax: Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

g) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new common shares are recognized in equity, net of tax, as a deduction from the share proceeds (share issue costs). The Company uses the residual method in determining the fair value of warrants where units consisting of shares and warrants are issued to subscribers, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued.

h) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

	Sweden			Norway		
	Adak ($)	Gumsberg ($)	Battery Metals Projects ($)	Burfjord ($)	Tynset ($)	Total ($)
Balance, December 31, 2018	**420,791**	**1,850,712**	**655,820**	**1,070,698**	**566,834**	**4,564,855**
Accommodation	-	14,548	-	-	-	**14,548**
Drilling	-	344,394	-	-	-	**344,394**
Field work	935	226,003	245	38,120	83	**265,386**
Exploration licenses	-	154,998	19,951	38,792	83,669	**297,410**
Geological	354	121,749	284	36,638	3,209	**162,234**
Geohpysical	-	6,711	277	370	-	**7,358**
Geochemical	-	239	-	-	-	**239**
Other	-	90,364	-	19,704	-	**110,068**
Impairment	(422,080)	-	-	-	(653,795)	**(1,075,875)**
Disposal	-	-	(676,577)	-	-	**(676,577)**
Net change	(420,791)	959,006	(655,820)	133,624	(566,834)	(550,815)
Balance, December 31, 2019	**-**	**2,809,718**	**-**	**1,204,322**	**-**	**4,014,040**
Acquisition/license maintenance	-	948	-	8	-	**956**
Accommodation	-	17,712	-	8,069	-	**25,781**
Drilling	-	352,903	-	50,518	-	**403,421**
Field work	-	222,543	-	45,458	-	**268,001**
Exploration licenses	-	102,178	-	-	-	**102,178**
Geological	-	5,546	-	132,469	-	**138,015**
Geohpysical	-	911	-	-	-	**911**
Geochemical	-	-	-	10,360	-	**10,360**
Other	-	26,968	-	6,515	-	**33,484**
	-	729,709	-	253,398	-	**983,107**
Recovery from option agreement	-	-	-	(269,629)	-	**(269,629)**
Net change	-	729,709	-	(16,231)	-	713,478
Balance, December 31, 2020	**-**	**3,539,427**	**-**	**1,188,091**	**-**	**4,727,518**

Acquisition of Swedish and Norwegian Projects - Agreements

a) On November 10, 2016, the Company entered into agreement with EMX Royalty Corp. ("EMX") (the "EMX Agreement"), as amended, to acquire Iekelvare and NOR (formerly EMX Exploration Scandinavia AB) which held, amongst other properties, the Gumsberg and Adak projects in Sweden and the Burfjord and Tynset projects in Norway. Pursuant to the terms of the EMX Agreement, EMX:

- received, during 2017 and 2018, a total of 8,816,773 common shares of the Company, valued at $1,688,251
- retains a 3% net smelter return ("NSR") royalty on the properties, of which a 1% may be purchased by the Company on or before the fifth anniversary of the closing date in 0.5% increments for a total of US$2,500,000, or, at the Company's election, US$2,000,000 plus shares of the Company equal in value to US$500,000
- will receive a 0.5% NSR royalty on any new mineral exploration projects generated by the Company in Sweden or Norway, excluding projects acquired from third parties containing a mineral resource or reserve or an existing mining operation
- will receive annual advance royalty ("AAR") payments of US$20,000 for each of the Gumsberg and Burfjord properties commencing on the second anniversary of the closing of the EMX Agreement (which occurred on February 14, 2017), with each AAR payment increasing by US$5,000 per year until US$60,000 per year per project has been reached. Upon reaching US$60,000, AAR payments will be adjusted each year according to the Consumer Price Index (as published by the U.S. Department of Labor, Bureau of Labor Statistics).

During 2019, licenses in respect of the Adak and Tynset projects expired, pursuant to which the Company wrote off acquisition and exploration expenses totalling $1,075,875.

Expressed in Canadian Dollars

b) On March 20, 2018, the Company entered, through BEMC, into agreement with EMX (the "EMX/BEMC Agreement"), to acquire various projects (the "Battery Metals Projects"). On November 5, 2019, EMX exercised its rights to acquire the Battery Metals Projects, through the purchase of all of BBMSAB's shares from BEMC for proceeds of $1, pursuant to which the Company recorded a loss of $688,471.

Burfjord Project (Alta Region, Norway)

Pursuant to the EMX Agreement, the Company made AAR payments to EMX of US$20,000 during the year ended December 31, 2019, and US$25,000 during the year ended December 31, 2020.

Option Agreement with Boliden Mineral AB

On June 10, 2020, the Company entered into an Option Agreement with Boliden Mineral AB ("Boliden") (the "Boliden Option Agreement"), pursuant to which Boliden may earn an interest in the Burfjord property in consideration for the following:

Earning of First Option	Date	Funding of Exploration Expenditures (US$)
To earn the initial 51% (the "First Option"):	On or before June 10, 2024	6,000,000 [1]

[1] Alternatively, Boliden may earn the First Option by paying to the Company the difference between expenditures incurred at the property and US$6,000,000.

Upon the exercise of the First Option, Boliden may earn an additional 29% interest in the property, for an aggregate 80% interest (the "Second Option"), by funding further advancement work through the delivery of a NI 43-101 and PERC (Pan European Reserves & Resources Reporting Committee) compliant feasibility study and funding all annual costs to keep the property in good standing.

EMX retains a 3% NSR royalty on Burfjord, which includes advance royalty payments credited toward actual royalties payable upon production, of which 1% may be re-purchased prior to February 14, 2025. Boliden will solely fund the advance royalty payments due to EMX until the First Option is exercised, after which advance royalty payments will be paid by both the Company and Boliden in proportion to their respective proportionate interests in Burfjord.

The Company will be the initial operator of Burfjord until the First Option is exercised. Upon exercise of the First Option, the Company and Boliden will form a Joint Venture to further advance the project, and Boliden will have the right to become the operator.

Pursuant to the Boliden Option Agreement, the company received $355,875 (the "Boliden Funds") from Boliden during the year ended December 31, 2020, which funds are restricted to the Burfjord project. To December 31, 2020, Boliden had funded $269,629 in exploration expenditures at the Burfjord project, such that at December 31, 2020, the Company had Boliden Funds of $86,246 (December 31, 2019: $Nil) which must be expended at the the Burfjord project.

Gumsberg Project (Bergslagen District, Sweden)

Pursuant to the EMX Agreement, the Company made AAR payments to EMX of US$20,000 during the year ended December 31, 2019, and US$25,000 during the year ended December 31, 2020.

Expressed in Canadian Dollars

5. EQUIPMENT

	Container ($)	Vehicle ($)	Computer ($)	Total ($)
Cost				
Balance at December 31, 2019	7,853	77,000	3,009	**87,862**
Additions	-			**-**
Dispositions	-	(77,000)	(3,009)	**(80,009)**
Balance at December 31, 2020	7,853	-	-	**7,853**
Accumulated amortization				
Balance at December 31, 2019	2,879	28,233	598	**31,710**
Amortization	1,571	11,550	298	**13,419**
Disposition	-	(39,783)	(896)	**(40,679)**
Balance at December 31, 2020	4,450	-	-	**4,450**
Net book value at December 31, 2020	**3,403**	**-**	**-**	**3,403**

	Container ($)	Vehicle ($)	Computer ($)	Total ($)
Cost				
Balance at December 31, 2018	7,853	77,000	1,039	85,892
Balance at December 31, 2019	7,853	77,000	3,009	87,862
Accumulated amortization				
Balance at December 31, 2018	1,309	12,833	68	14,210
Amortization	1,570	15,400	530	17,500
Balance at December 31, 2019	2,879	28,233	598	31,710
Net book value at December 31, 2019	4,974	48,767	2,411	56,152

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	At December 31, 2020 ($)	**2019** ($)
Accounts payable	245,543	88,614
Accrued liabilities	94,401	98,020
Due to related parties (Note 9)	307,345	319,241
	647,289	**505,875**

Expressed in Canadian Dollars

7. SHORT TERM LOAN

On November 25, 2019, the Company received an $800,000 loan from EMX (the "Loan"). The Loan bears interest at 0.65% per month, was due to mature on November 25, 2020, and is secured by pledge of lekelvare common shares guaranteed by lekelvare, and an obligation to transfer, at EMX's election, the Gumsberg License and/or lekelvare to EMX should the Loan be in default.

On August 13, 2020, the Company issued an aggregate of 7,368,304 units to EMX, to extinguish a portion of the Loan; each Unit was priced at $0.055 per unit, and is comprised of one common share and one share purchase warrant allowing for the purchase of one additional common share at $0.11 per share until August 13, 2022. As the Company's common share price on the date of extinguishment was $0.09 per common share, and the agreed-upon value of the units issued to EMX was $0.055 per Unit, this resulted in a loss on extinguishment of the Loan in the amount of $ 257,890, as well as:

(i) an immediate reduction in the amount of debt owed by the Company to EMX from $800,000 plus accrued interest and fees, to $482,113, and
(ii) a 6-month extension of the maturity date applicable to the remaining balance to May 25, 2021.; and,
(iii) EMX maintaining its current 12.89% ownership interest in the Company on a non-diluted basis, following completion of the Private Placement and Loan Extinguishment (Note 8).

During the year ended December 31, 2020, interest expense of $54,478 was accrued (December 31, 2019: $6,524) and accretion of transaction costs of $56,119 (December 31, 2019: $ 6,696) was recognized in interest expense.

	($)
Total December 31, 2018	-
Loan	800,000
Loan facility bonus fee	40,000
Transaction costs	(67,325)
Interest expense	13,220
Total December 31, 2019	**785,895**
Extinguishment by way of securities August 13, 2020	(405,257)
Interest expense	110,597
Total December 31, 2020	**491,235**

8. SHAREHOLDERS' EQUITY

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

b) Securities issuances

During the year ended December 31, 2020

The Company closed a private placement ("Private Placement"), settled certain amounts owing to certain related (note 9) and other parties ("Amounts Owing") and extinguished a portion of the Loan ("Loan Extinguishment") by way of issuance of units ("Units"), pursuant to which it issued common shares ("Shares"), warrants("Warrants") , and paid finders' fees in cash and units, comprised of shares ("Finders' Shares") and warrants ("Finders' Warrants") as follows:

Expressed in Canadian Dollars

	Private Placement	Amounts Owing	Loan Extinguishment	Total
Closing date	August 13, 2020	August 13, 2020	August 13, 2020	
Gross Proceeds Received ($)	2,593,546	-	-	2,593,546
Settlement of Amounts Owing ($) [(1)]	-	207,474	-	207,474
Extinguishment of Loan ($) [(2)]	-	-	663,147	663,147
Shares Issued (#)	47,155,376	2,305,273	7,368,304	56,828,953
Warrants Issued (#)	47,155,376	2,305,273	7,368,304	56,828,953
Warrant Exercise Price ($)	0.110	0.110	0.110	
Warrant Expiry Date	August 13, 2022	August 13, 2022	August 13, 2022	
Finders' Fees				
Cash ($)	18,480	-	-	18,480
Finders' Shares (#)	336,000	-	-	336,000
Finders' Warrants (#)	336,000	-	-	336,000
Exercise Price ($)	0.110	-	-	
Expiry Date	August 13, 2022	-	-	

(1) The Amounts Owing totaled $137,349, resulting in a loss on settlement of Amounts Owing of $70,125

(2) The Loan payable was $405,257, resulting in a loss on extinguishment of Loan of $257,890

The Warrants were valued at $Nil, using the residual method. The Finders' Shares were valued at $18,480, which value was recorded as share issuance costs, and a value of $Nil was assigned to the Finders' Warrants.

<u>During the year ended December 31, 2019</u>

The Company closed a private placement, pursuant to which it issued common shares, warrants, and paid finders' fees in cash and units, comprised of shares (Finders' Shares) and warrants ("Finders' Warrants") as follows:

	Offering
Closing date	February 20, 2019
Gross Proceeds Received ($)	1,620,789
Shares Issued (#)	17,060,934
Warrants Issued (#)	17,060,934
Warrant Exercise Price ($)	0.150
Warrant Expiry Date	February 20, 2021
Finders' Fees	
Cash ($)	18,100
Finders' Shares (#)	120,800
Finders' Warrants (#)	120,800
Exercise Price ($)	0.150
Expiry Date	February 20, 2021

The warrants and Finders' Warrants were valued at $255,914, using the residual method. The Finders' Shares were valued at $1,812, which value was recorded as share issuance costs.

c) Stock Options

The Company has a stock option plan (the "Plan") administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant. The terms of all options cannot exceed ten years and the minimum exercise price cannot be less than the closing price of the Company's common shares on the TSX-V on the last trading day preceding the grant of the option. Except as may be prescribed by the Exchange, the Board of Directors determines the vesting terms of the options.

At December 31, 2020, the Company had stock options outstanding as follows:

Expressed in Canadian Dollars

Grant date	Expiry date	Number	Exercise price	Weighted average life
		(#)	($)	(Yrs)
September 14, 2018	September 14, 2028	4,025,000	0.200	7.71
		4,025,000	**0.200**	**7.71**

A summary of the changes in the Company's stock options follows:

	Number of options	Weighted average exercise price
	(#)	($)
Outstanding, December 31, 2018	**4,925,000**	**0.200**
Cancelled	(900,000)	0.200
Outstanding, December 31, 2019	**4,025,000**	**0.200**
Oustanding, December 31, 2020	**4,025,000**	**0.200**

Share-based payments for the options granted by the Company were expensed over the vesting period, of which $54,284 was recognized during the year ended December 31, 2020 (December 31, 2019 - $204,716).

d) Warrants

At December 31, 2020, the Company had warrants outstanding as follows:

Date of issue	Expiry date	Number	Exercise price	Weighted average life
		(#)	($)	(Yrs)
February 20, 2019	February 20, 2021	17,181,734 [1]	0.150	1.14 [2]
August 13, 2020	August 13, 2022	57,164,953	0.110	1.62
		74,346,687	**0.119**	**1.51**

[1] In respect of the warrants due to expire February 20, 2021, the Company received regulatory approval, on February 17, 2021, to extend the expiry date of 17,060,934 warrants to February 20, 2022.
[2] After taking into effect the extension of the expiry date of the warrants to February 20, 2022.

A summary of the changes in the Company's warrants follows:

	Number of warrants	Weighted average exercise price
	(#)	($)
Outstanding, December 31, 2018	**-**	**-**
Issued	17,181,734	0.150
Outstanding, December 31, 2019	**17,181,734**	**0.150**
Issued	57,164,953	0.110
Oustanding, December 31, 2020	**74,346,687**	**0.119**

e) Escrow units

Pursuant to an accordance with the escrow agreement dated November 21, 2017, a total of 12,102,236 shares and 3,538,618 warrants were placed in escrow, to be released in stages over 36 months. At December 31, 2020, there were Nil common shares (December 31, 2019: 3,630,671) and Nil warrants (December 31, 2019: 1,061,585) of the Company held in escrow.

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company has arrangements pursuant to which parties related to the Company and its subsidiaries, by way of directorship or officership, provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all of the costs are recorded at terms agreed upon between the parties. The Company's key management and related party costs for the years ended December 31, 2020 and 2019 follow:

Expressed in Canadian Dollars

Key management compensation	**For the years ended December 31,**		
	2020		**2019**
	($)		($)
Management fees	315,000	(1)	462,000
Geological services	87,465	(2)	83,449
Share-based payments	12,543		71,489
	415,009		**616,938**

(1) Unpaid at December 31, 2020: $189,000
(2) Unpaid at December 31, 2020: $41,778

Other related parties	**For the years ended December 31,**		
	2020		**2019**
	($)		($)
Accounting fees	24,074	(1)	58,026
Director fees	44,886	(2)	54,080
Legal fees	321,445		142,394
Share-based payments	21,579		81,378
Rent	-		12,000
	411,984		**347,878**

(1) Unpaid at December 31, 2020: $24,491
(2) Unpaid at December 31, 2020: $20,954

Additionally, at December 31, 2020, the Company owed a total of $31,122 to related parties, in respect of expenses incurred on behalf of the Company.

10. SEGMENTED INFORMATION

The Company is engaged in one business activity, being the exploration for base and precious metals. Geographic information is disclosed in Note 3. All equipment is held solely in the Scandinavia segment, except for computer equipment which was held in Canada, until its disposition during the year ended December 31, 2020.

	December 31, 2020	**December 31, 2019**
	($)	**($)**
Exploration and evaluation assets		
Canada	-	-
Sweden	3,539,427	2,809,718
Norway	1,188,091	1,204,322
	4,727,518	**4,014,040**

	December 31, 2020	**December 31, 2019**
	($)	**($)**
Total assets		
Canada	1,314,097	260,073
Sweden	3,539,427	2,863,458
Norway	1,188,091	1,204,322
	6,041,615	**4,327,853**

11. FINANCIAL RISK MANAGEMENT

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of receivables, reclamation bond and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of the financial instruments. Reclamation bonds and receivables are measured at amortized cost. Accounts payable and accrued liabilities are also measured at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company considers financing opportunities so that it has sufficient liquidity to meet liabilities when due.

The Company anticipates it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its project. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. (see Note 1).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Currency risk

The Company incurs certain expenses in currencies other than the Canadian dollar, and is thus subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in Canadian dollars to pay these foreign currency expenses as they arise. The Company does not undertake currency hedging activities. The Company also does not attempt to hedge the net investment and equity of integrated foreign operations. During the year ended December 31, 2020, the Swedish krona remained relatively stable against the Canadian dollar.

Expressed in Canadian Dollars

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

12. DISCONTINUED OPERATIONS

On November 5, 2019, pursuant to Sections 29 and 2(e) of the Royalty Agreements specific to the Battery Metals Projects, EMX exercised its rights to acquire the Battery Metals Projects held in BBMSAB through the purchase of all of BBMSAB's shares from BEMC for proceeds of $1. As a result, a loss of $688,471 related to the disposal of the Battery Metals Projects was recorded (Note 2).

On November 5, 2019, the disposal group comprised net assets as follows:

Proceeds		$ 1
Less net assets of BBMSAB		
Cash	$ 7,439	
Receivables	43	
Reclamation bonds	6,112	
Exploration and evaluation assets	676,577	
Accounts payable	(1,699)	
Less net assets		(688,472)
Loss on disposal of BBMSAB		$ (688,471)

During the year ended December 31, 2019, the Company recognized a loss from discontinued operations of $685,071.

13. INCOME TAXES

As at December 31,	**2020 ($)**	**2019 ($)**
Net loss for the year	1,719,378	3,541,264
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery	464,232	956,141
Tax rate difference	5,843	8,326
Permanent differences	(7,898)	62,000
Tax benefits not recognized	(462,177)	(1,026,467)
Total income tax recovery	-	-

As at December 31,	2020 ($)	2019 ($)
Unrecognized deductible temperory differences and unused tax losses		
Non-capital loss carryforwards	6,637,582	5,115,364
Exploration and evaluation assets	205,337	177,429
Share issue costs	41,515	19,912
	6,884,434	5,312,705

At December 31, 2020, the Company has Canadian loss carry forwards of approximately $6,637,582 which have not been recognized, and which expire between 2034 and 2039. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income in relevant jurisdictions.

14. SUBSEQUENT EVENTS

- On February 17, 2021, the Company extended the expiry date of certain warrants allowing for the purchase of up to, in the aggregate, 17,060,934 common shares in the capital of the Company at $0.15 per share, from February 20, 2021 to February 20, 2022.
- On February 20, 2021, warrants allowing for the purchase of up to, in the aggregate, 120,800 common shares in the capital of the Company at $0.15 per share expired.