STAKEHOLDER GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Stakeholder Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash (note 7)	**$ 197,068**	$ 32,345
Receivables (note 12)	**14,276**	67,537
Prepaid expense	**51,481**	1,139
Total assets	**$ 262,825**	$ 101,021
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	**$ 140,840**	$ 153,215
Total current liabilities	**140,840**	153,215
Equity (deficit)		
Share capital (note 9)	**$ 12,326,821**	11,033,626
Contributed surplus (notes 10 and 11)	**3,572,942**	3,537,942
Accumulated other comprehensive income	**(3,376)**	-
Deficit	**(15,774,595)**	(14,623,762)
Total equity (deficit)	**121,985**	(52,194)
Total equity and liabilities	**$ 262,825**	$ 101,021

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

Nature of operations and going concern (note 1)
Subsequent events (note 16)

Approved on behalf of the Board:

"Marcus Chase", Director

"Chris Berlet", Director

Stakeholder Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year Ended December 31, 2020		Year Ended December 31, 2019
Operating expenses				
Management and consulting (note 12)	**$**	**426,140**	$	210,000
Investor and shareholder relations		**123,089**		367,159
Professional fees		**35,807**		24,900
General and administrative		**36,851**		43,284
Exploration and evaluation costs (note 8 and 12)		**492,641**		2,380
Share-based compensation (note 10)		**35,000**		-
Gain on settlement of accounts payable		**-**		(80,776)
Foreign exchange		**1,112**		-
Total operating expenses		**1,150,640**		566,947
Net (loss) for the year	**$**	**(1,150,640)**		(566,947)
Currency translation adjustments		**(3,376)**		-
Comprehensive (loss) for the year		**(1,154,016)**		(566,947)
Basic and diluted net loss per share (note 13)	**$**	**(0.17)**	$	(0.14)
Weighted average number of common shares outstanding		**6,732,602**		4,148,045

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

Stakeholder Gold Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year Ended December 31, 2020	Year Ended December 31, 2019
Operating activities			
Net loss for the year	$	**(1,150,640)**	(566,947)
Gain on settlement of accounts payable		**-**	(80,776)
Share-based payments		**35,000**	-
Issuance of shares for acquisition		**562,375**	-
Changes in non-cash working capital			
Receivables and prepaid expenses		**(2,919)**	(41,558)
Accounts payable and accrued liabilities		**293,125**	139,847
Non-cash working capital acquired on acquisition of VMC (note 6)		**(59,604)**	-
Net cash used in operating activities		**(322,663)**	(549,434)
Investing activities			
Cash acquired on acquisition of VMC (note 6)		**19,652**	-
Net cash provided by investing activities		**19,652**	-
Financing activities			
Proceeds from issuance of common shares		**450,500**	581,000
Cost of share issuance		**-**	(6,300)
Loan from VMC prior to acquisition		**20,000**	-
Net cash provided by financing activities		**470,500**	574,700
Impact of foreign exchange on cash		**(2,766)**	-
Net change in cash		**164,723**	25,266
Cash, beginning of year		**32,345**	7,079
Cash, end of year		**197,068**	$ 32,345

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

Stakeholder Gold Corp.

Consolidated Statements of Changes in Equity (Deficit) (Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Contributed Surplus $	AOCI* $	Deficit $	Total $
Balance, December 31, 2018	**3,248,833**	**10,517,903**	**3,249,965**	**$0**	**(14,056,815)**	**(288,947)**
Issuance of units (note 9(b)(i)(ii)(iii))	2,025,000	522,023	287,977	-	-	810,000
Share issuance cost	-	(6,300)	-	-	-	(6,300)
Net (loss) for the year	-	-	-	-	(566,947)	(566,947)
Balance, December 31, 2019	**5,273,833**	**11,033,626**	**3,537,942**	**$0**	**(14,623,762)**	**(52,194)**
Issuance of shares for acquisition (notes 9(b)(iv) and 6)	1,278,125	562,375	-	-	-	562,375
Cancellation of fractional shares on share consolidation	(46)					-
Private placement (note 9(b)(v)	4,600,000	736,000	-	-	-	736,000
Share issuance Cost	-	(5,180)	-	-	-	5,180
Share based payments (note 10)	-	-	35,000	-	-	35,000
Cumulative translation adjustment	-	-	-	(3,376)	-	(3,376)
Net (loss) for the year	-	-	-	-	(1,150,640)	(1,150,640)
Balance, December 31, 2020	**11,151,912**	**12,326,821**	**3,572,942**	**(3,376)**	**(15,906,702)**	**121,985**

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

* Accumulated Other Comprehensive Income

1. Nature of operations and going concern

Stakeholder Gold Corp. (the "Company" or "Stakeholder") was incorporated under the Canada Business Corporation Act and carries on business in one segment, being the identification, acquisition, and exploration of properties forming of precious and base metals. The Company is listed on the TSX Venture Exchange, having the symbol SRC.V. The address of the Company's head office is 1612 – 44 Victoria Street, Toronto, Ontario, M5C1Y2.

The Company is in the business of mining and exploring for minerals which involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, and the achievement of the Company's ability to dispose of its interests on an advantageous basis. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non- compliance with regulatory requirements.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those presented in these consolidated financial statements.

The Company does not currently generate revenue from operations. The Company incurred net losses in previous periods, with a current net loss of $1,282,940 for the year ended December 31, 2020 (2019 - loss of $566,947) and had an accumulated deficit of $15,906,702 as at December 31, 2020 (2019 - $14,623,762). The Company had working capital deficit of $121,985 at December 31, 2020 (December 31, 2019 - $52,194). There is uncertainty as to whether the Company will be able to meet its corporate administrative expenses for the next 12 months without additional financing.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

These circumstances create material uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

COVID-19

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders.

1. Nature of operations and going concern (continued)

COVID-19 (continued)

While Stakeholder has not yet experienced any material impact on its ability to conduct operations, it is unknown the extent of the future impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact Stakeholder's business and financial condition.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if stakeholder were unable to continue as a going concern and was required to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

2. Basis of presentation

These consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

These consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2021.

3. Significant accounting policies

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis.

Foreign currency transactions

The consolidated financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of Stakeholder and VMC Corp. The Brazilian reals is the functional currency of VMC Brazil.

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

3. Significant accounting policies (continued)

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss for the period. Cash is included in this category of financial assets.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, other than those at FVTPL, are subject to review for impairment at each reporting date. Financial assets are considered impaired when there is objective evidence that a financial asset or a group of financial assets may not be recoverable. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

Amortized cost - This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

Financial assets at fair value through other comprehensive income - Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in consolidated statements of loss and comprehensive loss for the period.

Other financial liabilities - This category includes accounts payable and accrued liabilities. They are carried in the statements of financial position at the value on the transaction date.

The Company’s financial instruments are classified as follows:

Financial Instrument	**Classification**
Assets	
Cash	Amortized cost
Receivables	Amortized cost
Liabilities	
Accounts payable and accrued liabilities	Amortized cost

3. Significant accounting policies (continued)
Exploration and evaluation activities

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

3. Significant accounting policies (continued)

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Equity instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

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 and recognizes a corresponding premium amount into other income. A deferred tax liability for the amount of tax reduction renounced to the shareholders is recognized on a retrospective basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. 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.

Comprehensive income (loss)

Comprehensive income (loss) includes net income (loss) and other comprehensive income (loss).

Share-based payments

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

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on grant date.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

3. Significant accounting policies (continued)

Share-based payments (continued)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital for any consideration paid.

Provisions

A provision is recognized in the consolidated statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in a provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At each statement of financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation.

The Company had no material provisions as at December 31, 2020 or December 31,2019.

Rehabilitation provisions

A legal or constructive obligation to incur rehabilitation provisions may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market- based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company had no material rehabilitation obligations as at December 31, 2020 or December 31, 2019.

3. Significant accounting policies (continued)

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. During the years ended December 31, 2020 and 2019, the calculation of basic and diluted loss per share did not include the effect of all potentially dilutive instruments outstanding as they are anti-dilutive.

Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. The factors considered by management are disclosed in Note 1.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provisions and contingencies

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company’s assets when the amounts are determined, or additional information is acquired.

3. Significant accounting policies (continued)

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Business combinations

Business combinations are accounted for using the acquisition method. For each business combination at the acquisition date, the Company recognizes at fair value all of the identifiable assets acquired, the liabilities assumed, the non-controlling interest in the acquiree and the aggregate of the consideration transferred, including any contingent consideration to be transferred. When the fair value of the consideration transferred and the amount recognized for non-controlling interest exceeds the net amount of the identifiable assets acquired and the liabilities assumed measured at fair value (the “net identifiable assets”), the difference is treated as goodwill. After initial recognition, goodwill is measured at its initial cost from the acquisition date, less any accumulated impairment losses. Goodwill is reviewed annually for impairment or when there is an indication of potential impairment. If the fair value of the Company’s share of the net identifiable assets exceeds the fair value of the consideration transferred and non-controlling interest at the acquisition date, the difference is immediately recognized in net loss. If the business combination is achieved in stages, the acquisition date fair value of the previously held interest in the acquiree is re-measured to fair value as at the acquisition date through net income loss. The Company does not currently have any goodwill.

Leases

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. This standard did not have any impact the Company’s financial statements.

3. Capital risk management

Stakeholder manages its shareholders’ equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company’s management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Stakeholder will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the year ended December 31, 2020. Stakeholder is not subject to externally imposed capital requirements.

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern. The Company has no external debt and is dependent on the capital markets to finance exploration and development activities.

4. Financial instruments and risk management

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

5. Financial instruments and risk management (continued)

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies, and processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: foreign currency risk, interest rate risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits; this would have no significant impact on the Company's net loss due to the immateriality of the interest earned.

Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At December 31, 2020, Stakeholder had a cash balance of $197,068 (2019 - $32,345) and current liabilities of $140,840 (2019 – $153,215). As outlined in Note 1, the Company will be required to obtain additional financing for working capital and continued exploration and development of its properties.

(Expressed in Canadian Dollars)

5. Financial instruments and risk management (continued)

The following is a summary of the Company's material contractual obligations (representing undiscounted contractual cash flows):

As of December 31, 2020:	1 year	Due Within 2 Years	3 Years	Over 4 Years	Total
Accounts payable and accrued liabilities	$140,840	$ -	$ -	$ -	**$140,840**

As of December 31, 2019:	1 year	Due Within 2 Years	3 Years	Over 4 Years	Total
Accounts payable and accrued liabilities	$153,215	$ -	$ -	$ -	**$153,215**

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash is minimized by depositing with only reputable financial institutions. There is also concentration of credit risk. Management has reviewed the receivable balances and determined that the balances are collectible; accordingly, there has been no allowance for doubtful accounts recorded.

6. Acquisition of VMC

On July 30, 2020, Stakeholder executed a business combination agreement (the "Transaction") with Victoria Mining Corporation ("VMC") pursuant to which VMC issued 1,278,125 common shares in exchange for all of the issued and outstanding shares of VMC.

After evaluating all the facts surrounding this Transaction in accordance with the principles in IFRS 3, Business combinations, it was determined that VMC did not meet the definition of a business. Accordingly, the Transaction was accounted for as an asset acquisition in accordance with IFRS 2, Share based payments.

The allocation of the purchase price to the net assets acquired is as follows:

Purchase Price	**Quantity**	**Amount**
Common shares issued	1,278,125	$ 562,375
Total Purchase Price		$ 562,375
Net Assets Acquired		
Cash		$ 19,652
Receivables and prepaids		69,604
Exploration asset (i)		483,119
Accounts payable and accrued liabilities		(10,000)
		$ 562,375

(i) the exploration asset is expensed in accordance with the Company's accounting policy for exploration and evaluation expenditures.

6. Acquisition of VMC (continued)

The company currently has rights to extract materials from the grounds that the project operates on. All productions are subject to a 10% royalty calculated based on the sales price of all materials produced. The 10% royalty is payable to the owner of the land.

At the company's discretion, it can choose to buy back the 10% royalty from the landowner in accordance with the following schedule:

Time Frame	Cost
Within 1 year since the start of production	600,000 Brazilian Reals
Within 2 year since the start of production	1,500,000 Brazilian Reals
Within 3 year since the start of production	2,000,000 Brazilian Reals
Within 4 year or more since the start of production	3,000,000 Brazilian Reals

7. Cash and cash equivalents

Cash at banks and on hand earn interest at floating interest rates based on daily deposit rates. The Company had no cash equivalents at December 31, 2020 or December 31, 2019.

8. Exploration and evaluation assets

Ballarat Property

The Ballarat exploration project is wholly owned by the Company and is located in the White Gold District of the Yukon Territory. The property consists of 356 claims comprising of 7,200 hectares and is located upstream of the Ballarat Creek placer mining operations.

Due to the inconclusive results of the 2016 project and management's focus on the Mountain View project (see Goldstorm Property) management has halted exploration on the property.

VMC Blue Quartzite Project

The VMC Blue Quartzite project was acquired with the acquisition of VMC (note 6). The Project is wholly owned by the Company and located in Minas Gerais, Brazil. The Company currently owns the surface rights to extract quartzite materials on roughly 600 hectares of area.

		Ballarat		VMC
Cumulative exploration costs at December 31, 2018	$	782,614	$	-
Expenditures		2,380		-
Cumulative exploration costs at December 31, 2019		784,994		-
Acquisition costs (note 6)		-		483,119
Expenditures (recoveries)		(3,103)		12,625
Cumulative exploration costs at December 31, 2020	**$**	**781,891**	**$**	**495,744**

(Expressed in Canadian Dollars)

9. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Common shares issued	**Number of common shares**	**Amount**
Balance, December 31, 2018	**3,248,833**	**$ 10,334,620**
Private placement (i)	375,000	96,983
Private placement (ii)	837,500	216,409
Private placement (iii)	812,500	208,631
Share issuance costs	-	(6,300)
Balance, December 31, 2019	**5,273,833**	**$ 11,033,626**
Issuance of shares for acquisition (iv)	1,278,125	562,375
Private Placement (v)	4,600,000	736,000
Share Issuance Cost	-	(5,180)
Balance, December 31, 2020	**11,151,958**	**$12,326,821**

On September 4, 2020, Stakeholder effected a consolidation of all outstanding common shares based on one (1) new post-consolidation common share for every eight (8) pre-consolidation common shares. As a result of the Consolidation, the Company's outstanding 52,415,662 common shares at the time have been reduced to 6,551,957 common shares. No fractional shares of the Corporation have been issued, and any fractional shares resulting from the consolidation have been deemed to have been tendered for cancellation by the registered owner. All stock options and warrants outstanding as of September 4, 2020 have been adjusted in accordance with the consolidation ratio.

All prior comparative figures presented within these consolidated financial statements have been retroactively adjusted to reflect the share consolidation.

9. Share capital (continued)

b) Common shares issued.

(i) On March 5, 2019, the Company closed a non-brokered private placement with proceeds of $150,000 comprised of 375,000 units. Each unit comprised of one common share and one full warrant. Each warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.80 per share for a period expiring on March 4th, 2021.

The net proceeds were allocated to the equity components on a relative fair value basis with $96,983 (65%) attributed to the shares and $53,017 (35%) attributed to the warrants. The warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 140%, risk free interest of 1.74%, share price of $0.36 and an expected life of 2 years.

(ii) On July 4th, 2019, the Company closed a non-brokered private placement with proceeds of $335,000 comprised of 837,500 units. Each unit comprised of one common share and one full warrant. Each warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.80 per share for a period expiring on July 3rd, 2021.

The net proceeds were allocated to the equity components on a relative fair value basis with $216,409 (65%) attributed to the shares and $118,591 (35%) attributed to the warrants. The warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 136%, risk free interest of 1.74%, share price of $0.32 and an expected life of 2 years.

(iii) On October 15th, 2019, the Company closed a non-brokered private placement with proceeds of $325,000 comprised of 812,500 units. Each unit comprised of one common share and one full warrant. Each warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.80 per share for a period expiring on October 14th, 2021.

The net proceeds were allocated to the equity components on a relative fair value basis with $ $208,631 (64%) attributed to the shares and $116,369 (36%) attributed to the warrants. The warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 143%, risk free interest of 1.69%, share price of $0.36 and an expected life of 2 years.

(iv) On July 30, 2020, Stakeholder executed a business combination agreement resulting in the issuance of 1,278,125 common shares valued at $562,375 (see note 6).

(v) On October 15, 2020, the Company closed a non-brokered private placement with proceeds of $736,000 comprised of 4,600,000 common shares.

(Expressed in Canadian Dollars)

10. Share-based payments

The stock option plan of the Company established on January 4, 2017, provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant.

	Number of stock options	Weighted average exercise price	
Balance, December 31, 2018	**255,000**	**$**	**2.88**
Expired	(130,000)		3.18
Balance, December 31, 2019	**125,000**	**$**	**2.56**
Expired	(125,000)		2.56
Issued	500,000		0.40
Balance, December 31, 2020	**500,000**	**$**	**0.40**

On November 13, 2020, the Company issued 500,000 stock options to a director and officer of the Company which are exercisable at $0.40 per share for a period of three years. The options will vest when the gross revenue of VMC reach $400,000 for any consecutive three-month period. The options were valued at $167,300 using the Black Scholes option pricing model and the following assumptions: share price: $0.40; exercise price: $0.40; expected life: 3 years; dividend Yield: 0%; risk-free rate: 0.3%, annualized volatility: 160%. During the year ended December 31, 2020, the Company recognized $35,000 of share-based compensation expense related to these options.

The following table reflects the actual stock options issued and outstanding as of December 31, 2020:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
November 18, 2023	0.40	2.88	500,000	-

(Expressed in Canadian Dollars)

11. Warrants

	Number of warrants		Weighted average exercise price
Balance, December 31, 2018	**466,376**	**$**	**2.08**
Issued (note 9(b)(i))	375,000		0.80
Issued (note 9(b)(ii))	837,500		0.80
Issued (note 9(b)(iii))	812,500		0.80
Expired	(177,500)		3.68
Balance, December 31, 2019	**2,293,875**	**$**	**0.83**
Expired	(18,875)		4.00
Balance, December 31, 2019	**2,275,000**	**$**	**0.80**

The following table reflects the actual warrants issued and outstanding as of December 31, 2020:

Expiry date	Number of warrants	Grant date value ($)	Exercise price ($)
December 20, 2021*	250,000	24,000	0.80
March 4, 2021	375,00	53,017	0.80
July 3, 2021	837,500	118,592	0.80
October 14, 2021	812,500	116,368	0.80
	2,275,000	**287,978**	**0.80**

**Expiry period extended by 1 year from December 20, 2020 to December 20, 2021*

12. Related party transactions and balances

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Stakeholder entered into the following transactions with related parties:

			Year Ended December 31, 2020		2019
Canuc Resources Corporation (“Canuc”)	(i)	**$**	**15,222**	$	15,016
Maru Energy Ltd	(ii)	**$**	**-**	$	-
Full Circle Energy Ltd.	(iii)	**$**	**-**	$	-

(i) For the year ended December 31, 2020, the Company expensed $15,222 (year ended December 31, 2019 - $15,016) to Canuc, a corporation with a common director and officer, for rent. In addition, the Company borrowed cash from Canuc during the year which is non-interest bearing and can be repaid at any time. As at December 31, 2020, the Company owed $106,119 to Canuc (December 31, 2019 - $61,531 was owed from Canuc to the Company).

(Expressed in Canadian Dollars)

12. Related party transactions and balances (continued)

(ii) For the year ended December 31, 2020, the Company owes Maru Energy Ltd, a corporation with a common director $4,166 (December 31, 2019 - $4,166).

(iii) As of December 31, 2020, Full Circle Energy Ltd, a subsidiary of Canuc, is owed $1,000 (December 31, 2019 - $1,000).

(b) Remuneration of directors and key management personnel of the Company was as follows:

		Year Ended December 31, 2020		Year Ended December 31, 2019
Remuneration paid to CEO and President	(iv)	**315,000**	$	135,000
Remuneration paid to VP Exploration	(v)	**Nil**		1,630
Remuneration paid to CFO	(vi)	**64,640**		47,750
Fair value of stock options vesting (note 10)		**35,000**		-

(iv) For the year ended December 31, 2020, compensation of $315,000 (year ended December 31, 2019 - $135,000) was paid to a company controlled by the CEO and President. The compensation is included in management and consulting expenses. As at December 31, 2020, the Company owed $nil (December 31, 2019 - $nil) to CEO.

(v) For the year ended December 31, 2020, the Company expensed in exploration and evaluation costs $Nil (year ended December 31, 2019 - $1,630) to the Vice President Exploration. As at December 31, 2020, the Company owed $nil (December 31, 2019- $nil) to VP Exploration.

(vi) For the year ended December 31, 2020, the Company expensed $64,640 (year ended December 31, 2019 - $47,750) as remuneration paid to the CFO. As at December 31, 2020, the Company was owed $nil (December 31, 2019 - $nil) to the CFO .

13. Loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shareholders of $1,150,640 (2019 - $566,947) and the weighted average number of common shares outstanding of 6,732,602 for the year ended December 31, 2020 (2019 – 4,148,045). Diluted loss per share did not include the effect of 500,000 options and 2,275,000 warrants outstanding as their effect is anti-dilutive.

(Expressed in Canadian Dollars)

14. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2017 - 26.5%) to the effective tax rate is as follows:

	Year Ended December 31, 2020 $	2019 $
(Loss) for the year before income taxes	**(1,150,640)**	(566,946)
Expected income taxes (recovery)	**(340,920)**	(150,240)
Adjustment to expected income tax benefit		
Non-deductible expenses	**9,240**	312
Share issue costs	**(1,370)**	(1,670)
Book to filing adjustments	**2,200**	
Change in tax benefits not recognized	**294,850**	151,598
Deferred income tax provision (recovery)	**-**	-

Unrecognized temporary differences:

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2020 $	2019 $
Operating tax losses carried forward	**5,668,970**	4,972,720
Exploration and evaluation assets	**7,053,130**	6,570,010
Share issue costs	**14,430**	81,160
Investment tax credits	**52,200**	52,200
Property, Plant and Equipment	**8,520**	8,520

The operating tax losses carried forward expire as noted in the table below.
Share issue and financing costs will be fully deducted by 2023
The Company’s non-capital income tax losses expire as follows:

2031	$	197,680
2032		329,670
2033		296,100
2034		753,730
2035		472,190
2036		863,340
2037		939,670
2038		477,790
2039		634,720
2040		691,200
		$5,656,090

(Expressed in Canadian Dollars)

15. Segment Information

The Company is engaged in the exploration and evaluation of properties for the mining of precious and base metals and the extraction of exotic quartzite. The Company does not have formal operating segments. The corporate office operates to support the Company's projects. As of December 31, 2020, the projects are located in Canada and Brazil.

A geographic breakdown of assets by segment follows:

	December 31, 2020	December 31, 2019
Stakeholder and VMC Canada	$ 207,275	$ 101,021
VMC Brazil	$55,550	Nil
	$ 262,825	**$ 101,021**

16. Subsequent Events

There are no subsequent events material to the consolidated financial statements.