

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP.**  
**(formerly Marifil Mines Limited)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

Expressed in Canadian dollars  
(Unaudited)

#### **NOTE TO READER**

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these interim financial statements.

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

Expressed in Canadian dollars

	Note	September 30, 2021 <i>(Unaudited)</i>	December 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 1,673,645	\$ 54,562
Other receivables	5	54,035	41,276
Prepaid expenses		31,418	14,807
		1,759,098	110,645
<b>Exploration and evaluation assets</b>	6	<b>3,972,343</b>	3,861,373
		\$ 5,731,441	\$ 3,972,018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade payables and other liabilities	8	\$ 1,900,344	\$ 1,608,949
Loans payable	9	58,262	-
Loans payable to related parties	8	33,912	86,367
		1,992,518	1,695,316
<b>Non-current liabilities</b>			
Government assistance loan payable	7	52,063	31,888
		2,044,581	1,727,204
<b>Shareholders' equity</b>			
Share capital	10	21,265,538	19,211,873
Contributed surplus		2,511,919	2,501,058
Deficit		(20,053,625)	(19,437,272)
<b>Equity attributable to owners of the parent</b>		<b>3,723,832</b>	2,275,659
<b>Equity attributable to non-controlling interests</b>		<b>(36,972)</b>	(30,845)
		3,686,860	2,244,814
<b>Total liabilities and equity</b>		\$ 5,731,441	\$ 3,972,018

Going concern (Note 2)

Approved and authorized by the Board on November 29, 2021.

*"Robert Abenante"*

Robert Abenante

*"Greg Burnett"*

Greg Burnett

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

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

Expressed in Canadian dollars

**(Unaudited)**

		For the nine months ended September 30,			For the three months ended September 30,		
	Note	2021	2020	2021	2020		
<b>EXPENSES</b>							
General and administration	11	\$ 631,072	\$ 489,948	\$ 246,504	\$ 172,816		
Accretion expense		3,855	-	1,465	-		
Foreign exchange (gain) loss		(33,668)	3,395	(27,412)	(3,457)		
Finance costs	8	70,082	58,458	24,961	39,177		
Administrative charge income		(4,837)	(2,230)	(2,543)	(1,027)		
Income from government assistance		(3,680)	-	-	-		
Share-based compensation		10,861	-	10,861	-		
Recovery of other receivables		-	(36,230)	-	(36,230)		
Gain on sale of securities		(51,205)	-	(30,273)	-		
<b>Net loss and comprehensive loss</b>		<b>\$ 622,480</b>	<b>\$ 513,251</b>	<b>\$ 223,563</b>	<b>\$ 171,279</b>		
<b>Net loss for the period attributable to:</b>							
Owners of the Company		\$ 616,353	\$ 508,098	\$ 220,345	\$ 168,216		
Non-controlling interests		6,127	5,153	3,218	3,063		
		<b>\$ 622,480</b>	<b>\$ 513,251</b>	<b>\$ 223,563</b>	<b>\$ 171,279</b>		
<b>Weighted average number of common shares outstanding</b>	10	<b>89,316,608</b>	59,625,432	<b>100,625,432</b>	59,625,432		
<b>Basic and diluted loss per common share</b>	10	<b>\$ (0.01)</b>	\$ (0.01)	<b>\$ (0.00)</b>	\$ (0.00)		

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

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**  
Expressed in Canadian dollars  
(Unaudited)

	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (622,480)	\$ (513,251)
Items not affecting cash		
Write-down (recovery) of other receivables	-	(36,230)
Unrealized exchange (gain) loss	(21,096)	1,372
Accretion expense	3,855	-
Income from government assistance	(3,680)	-
Share-based payments	10,861	-
Interest on related party loans	6,053	4,885
	<b>(626,487)</b>	<b>(543,224)</b>
Changes in non-cash working capital items:		
Other receivables	(12,759)	54,499
Advances receivable	-	2,455
Prepaid expenses	(16,611)	(6,064)
Trade payables and other liabilities	312,245	472,660
<b>Cash used in operating activities</b>	<b>(343,612)</b>	<b>(19,674)</b>
<b>INVESTING ACTIVITIES</b>		
Cash expenditures on exploration and evaluation assets	(110,970)	(23,629)
<b>Cash used in investing activities</b>	<b>(110,970)</b>	<b>(23,629)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans to related parties	-	26,000
Proceeds from government assistance loan payable	20,000	40,000
Proceeds from private placement	1,983,665	-
Proceeds on exercise of warrants	70,000	-
<b>Cash provided by financing activities</b>	<b>2,073,665</b>	<b>66,000</b>
<b>CHANGE IN CASH</b>	<b>1,619,083</b>	<b>22,697</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>54,562</b>	<b>26,296</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 1,673,645</b>	<b>\$ 48,993</b>

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

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**  
Expressed in Canadian dollars  
(Unaudited)

	Note	Number of common shares	Common shares amount	Contributed surplus	Deficit	Shareholders' equity	Non- controlling interests	Total equity
<b>Balance as at December 31, 2019</b>		60,075,432	\$ 19,211,873	\$ 2,501,058	\$ (18,779,105)	\$ 2,933,826	\$ (24,061)	\$ 2,909,765
Net loss for the period		-	-	-	(508,098)	(508,098)	(5,153)	(513,251)
<b>Balance as at September 30, 2020</b>		<b>60,075,432</b>	<b>\$ 19,211,873</b>	<b>\$ 2,501,058</b>	<b>\$ (19,287,203)</b>	<b>\$ 2,425,728</b>	<b>\$ (29,214)</b>	<b>\$ 2,396,514</b>
<b>Balance as at December 31, 2020</b>		<b>60,075,432</b>	<b>\$ 19,211,873</b>	<b>\$ 2,501,058</b>	<b>\$ (19,437,272)</b>	<b>\$ 2,275,659</b>	<b>\$ (30,845)</b>	<b>\$ 2,244,814</b>
Proceeds from private placement		40,000,000	1,983,665	-	-	1,983,665	-	1,983,665
Share-based compensation		-	-	10,861	-	10,861	-	10,861
Proceeds from exercise of warrants		1,000,000	70,000	-	-	70,000	-	70,000
Net loss for the period		-	-	-	(616,353)	(616,353)	(6,127)	(622,480)
<b>Balance as at September 30, 2021</b>		<b>101,075,432</b>	<b>\$ 21,265,538</b>	<b>\$ 2,511,919</b>	<b>\$ (20,053,625)</b>	<b>\$ 3,723,832</b>	<b>\$ (36,972)</b>	<b>\$ 3,686,860</b>

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

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**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020****Expressed in Canadian dollars****(Unaudited)**

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**1. NATURE OF OPERATIONS**

International Iconic Gold Exploration Corp. (formerly Marifil Mines Limited) (the “Company” or “Iconic”) was incorporated on December 2, 2003 under the Yukon Business Corporation Act. On January 17, 2014, the Company changed its reporting jurisdiction from Yukon to British Columbia. On September 29, 2021 the Company changed its name to International Iconic Gold Exploration Corp. The Company is listed on the TSX Venture Exchange (“TSXV”) under the symbol ICON.V. The address of the Company’s corporate office and principal place of business is 3020 – 700 West Georgia Street, Vancouver, British Columbia, Canada.

The Company is in the business of acquiring, exploring, and evaluating mineral resource properties.

**2. BASIS OF PREPARATION****2.1 Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a net loss of \$622,480 for the period ended September 30, 2021, and as of that date the Company’s accumulated deficit was \$20,053,625. The Company has a working capital deficit of \$233,420. The Company’s continuation as a going concern is contingent on the completion of financings to adequately cover the Company’s working capital deficit and planned exploration activities. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which cast significant doubt about the Company’s ability to continue as a going concern.

In March of 2020, the World Health Organization declared an outbreak of COVID-19 Global pandemic. COVID-19 has impacted vast array of businesses through the restrictions put in place by most governments internationally, including the Canadian federal government as well as provincial and municipal governments, regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown to what extent the impact of 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 world-wide to fight the virus. While the extent of the impact is unknown, the COVID-19 outbreak may hinder the Company’s ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company’s business and financial condition.

**2.2 Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed consolidated interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed consolidated interim financial

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**2. BASIS OF PREPARATION (continued)**

**2.2 Statement of Compliance (continued)**

statements be read in conjunction with the most recent audited annual consolidated financial statements of the Company for the year ended December 31, 2020 available on [sedar.com](http://sedar.com) on April 30, 2021.

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

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2021.

**2.3 Basis of Measurement**

The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

The preparation of the condensed interim consolidated financial statements in compliance with IFRS requires management to make certain accounting estimates. It also requires management to make certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

**2.4 Basis of Consolidation**

These condensed interim consolidated financial statements include the financial statements of the Company and entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation. The Company's Argentine subsidiaries are Marifil S.A., which is wholly-owned, and Minas San Roque S.A ("MSR"), in which the Company has a 51% ownership. The Company's wholly-owned Canadian subsidiaries are Prosperity Growth Ltd., Synergistic Resources Ltd., and Emirates Growth Ltd.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended December 31, 2020 and have been consistently followed in the preparation of these consolidated condensed interim financial statements except for those summarized below.

**Blue Chip Swap**

The Blue Chip Swap is a legal mechanism in Argentina for reporting entities and individuals to hold and perhaps transfer US Dollars. It is effected through the purchase of a US Dollar-denominated security onshore, transfer of the security offshore, and sale of the security for US Dollars. The buy and sell of the bond creates an implied exchange rate.

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Blue Chip Swap (continued)**

As the implied rate created by the Blue Chip Swap mechanism does not meet the definition of exchange rate, the gain or loss incurred is recorded as gain/loss on the sale of the securities, rather than as a foreign currency transaction gain/loss.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

There have been no material revisions to the nature and amount of changes in estimates of amounts and critical judgements in applying accounting policies reported in the annual financial statements for the year ended December 31, 2020.

**5. OTHER RECEIVABLES**

As at September 30, 2021, amounts in other receivables are related to \$26,548 (December 31, 2020: \$15,671) in government sales tax receivables, and \$27,487 (December 31, 2020: \$23,865) in cash calls related to the operations at San Roque.

**6. EXPLORATION AND EVALUATION ASSETS**

	San Roque, Rio Negro				Total
	Province		Other Properties		
<b>Balance December 31, 2019</b>	\$	3,833,448	\$	-	\$ 3,833,448
Property payments		7,688		-	7,688
Exploration costs		19,418		-	19,418
Change in IVA		819		-	819
<b>Balance December 31, 2020</b>	\$	3,861,373	\$	-	\$ 3,861,373
Property payments		14,718		4,851	19,569
Exploration costs		88,884		-	88,884
Change in IVA		2,557		-	2,557
<b>Balance December 31, 2021</b>	\$	3,967,492	\$	4,851	\$ 3,972,343

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many resource properties. The Company has investigated title to all its resource properties and, to the best of its knowledge; title to all properties are in good standing unless specifically noted otherwise. All the resource properties are located in Argentina.

Impuesto al Valor Agregado ("IVA") represents value added sales taxes paid to the government of Argentina which is recorded when paid. When there is reasonable assurance that the Company will be able to obtain a refund of IVA taxes, the amounts received by the Company will be credited to the cost of the properties.

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**6. EXPLORATION AND EVALUATION ASSETS (continued)**

**San Roque Gold Property, Rio Negro Province**

MSR, a 51% owned subsidiary of the Company and 49% owned by Novagold Argentina Inc. (NovaGold), currently holds a 100% interest in the San Roque property consisting of 8 contiguous claims.

On May 14, 2018, the Company and NovaGold (the "Shareholders") entered into an Amended Shareholders Agreement (the "Agreement") which details the management of MSR by the Shareholders. The Agreement requires the Shareholders to contribute funds to MSR as needed for operations and exploration requirements in proportion to each Shareholder's ownership percentage. At the inception of the original agreement, NovaGold had a credit against its required contribution amount of US\$436,939.

Total costs incurred by MSR, and funded by the Company, on the San Roque Property plus additional allowable costs prescribed in the Agreement have exceeded the required 51% of expenditures, and NovaGold's 49% portion of expenditures such that the initial credit of US\$436,939 has been expended. Under the Agreement, NovaGold is now required to contribute funds in response to cash calls from MSR and provide funds in proportion to its ownership percentage.

The Agreement includes a recoverable 7% administration charge on total allowable expenditures incurred in MSR. As MSR incurred 100% of costs, 49% of this administration charge is recoverable from NovaGold. This charge has been recorded as administrative charge income for the nine months ended September, 2021 of \$4,837 (September 30, 2020: \$2,320). At September 30, 2021, other receivables included an administration cost recovery charge of \$27,487 (December 31, 2020: \$23,865) due from NovaGold.

On November 3, 2021, the Company entered into a share purchase agreement with NovaGold, pursuant to which NovaGold has sold all 5,051,537 of the shares of MSR that it owned to Marifil S.A. ("Marifil") in consideration for \$2,000,000 payable by Marifil (Note 13). As a result, MSR is a wholly owned subsidiary of the Company.

**Other Properties**

Other Argentine properties include the Lago Fontana mine rights in Chubut Province, the Mechanquil mine rights in Rio Negro province, the Milagros mine properties in Mendoza province, exploration rights in Ortiquita, and various claims in Salta, San Juan, and Catamarca Provinces.

**7. CEBA LOAN PAYABLE**

During the year ended December 31, 2020, the Company entered into a Canada Emergency Business Account "CEBA" loan with the Government of Canada. The loan is an interest free loan of \$40,000 from the Government of Canada. If the Government of Canada is repaid by December 31, 2022, 25% being \$10,000 will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum. The loan was recorded at a fair value of \$30,607 using an effective rate of 12%, considering the grant, the interest-free loan and the forgivable portion. The residual value of \$9,393 was recorded as other income for the year ended December 31, 2020.

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**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**7. CEBA LOAN PAYABLE (continued)**

During the nine months ended September 30, 2021, the Company entered into a CEBA loan with the Government of Canada for an additional \$20,000 (the "Additional Financing"). As above, the loan is interest free. If the Government of Canada is repaid the full loan of \$60,000 by December 31, 2022, 33%, being a total of \$20,000, will be forgiven. If the Company is not able to repay, the loan will convert into a regular loan with a three-year term at 5% per annum. The Additional Financing was recorded at a fair value of \$16,320 using an effective rate of 12%, considering the grant, the interest-free loan and the forgivable portion. The residual value of \$3,680 is recorded as other income during the nine months ended September 30, 2021.

As at September 30, 2021, the carrying value of the CEBA loan was \$52,063 (December 31, 2020: \$31,888). During the nine months ended September 30, 2021, the Company recorded accretion expense of \$3,855 (September 30, 2020: \$1,281).

**8. RELATED PARTY BALANCES AND TRANSACTIONS**

a) Related Party Balances

On October 10, 2017, the Company entered into a loan agreement with a director, whereas the director loaned the Company US\$2,500. The unsecured loan bears no interest and is due and payable on demand. As at September 30, 2021, included in loans payable to related parties is the carrying value of \$3,177 (December 31, 2020: \$3,185).

On May 22, 2020, the Company received an aggregate of \$26,000 cash in exchange for two \$13,000 promissory notes, with a director and a company controlled by an officer, respectively. The notes each carry an interest rate of 12%, accrued monthly, with a maturity date of April 30, 2021. The notes can be settled in either cash or common shares of the Company. If settled in shares, the terms will be agreed upon between the Company and the note holder. If the Company does not fully repay each note upon maturity, the Company shall pay a penalty of 10% on the principal of the note. During the nine months ended September 30, 2021, the Company recorded finance costs of \$2,670 (September 30, 2020: \$1,148) in connection with interest accrued under the notes. As at September 30, 2021, included in loans payable to related parties is the carrying value of \$30,735 (December 31, 2020: \$28,093).

During the nine months ended September 30, 2021, the Company recorded finance costs of \$43,251 (September 30, 2020: \$20,152) related to accrued interest on amounts due to companies controlled by officers and directors. Interest is accrued at 10% per annum, compounded monthly.

As at September 30, 2021, and December 31, 2020, the liabilities of the Company include \$982,920 related party balances (December 31, 2020: \$869,940) in trade payables and other liabilities. Included in trade payables and other liabilities is rent accrued of \$Nil (December 31, 2020: \$4,000) to a company controlled by the Chief Executive Officer.

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**8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

b) Related Party Transactions

During the nine months ended September 30, 2021 and 2020, the Company incurred charges from officers and directors, which comprise key management compensation as follows:

	For the nine months ended	
	September 30,	
	2021	2020
Management fees	\$ 193,461	\$ 206,825
Consulting fees	45,000	45,000
Share-based compensation	2,626	-
	\$ 241,087	\$ 251,825

For the nine months ended September 30, 2021 and 2020, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits. These transactions were recorded at the exchange amount, which is the amount agreed to by the transacting parties.

During the nine months ended September 30, 2021, the Company issued 500,000 units at a price of \$0.05 per unit pursuant to a private placement to a director of the Company and issued 2,800,000 units at a price of \$0.05 per unit pursuant to a private placement to a company controlled by the Chief Executive Officer of the Company.

During the nine months ended September 30, 2021, \$4,654 (December 31, 2020: \$8,647) in management fees was capitalized to mineral properties.

**9. LOANS PAYABLE**

On July 29, 2014, the Company entered into a loan agreement with a director, whereas the director loaned the Company US\$20,000. The unsecured loan bears interest at 18% per year and matured on January 29, 2016. At the option of the lender, the loan can be converted into common shares of the Company at the market price of the Company's shares. The loan balance was reclassified from loans payable to related parties to loans payable as at September 30, 2021.

During the nine months ended September 30, 2021, the Company recorded finance costs of \$3,383 (September 30, 2020: \$3,737) in connection with interest accrued under the loan. As at September 30, 2021, the loan is outstanding and due on demand and the carrying value is \$58,262 (December 31, 2020: \$55,088 included in loans payable to related parties) included in loans payable.

The director ceased to be a related party effective June 25, 2021.

**10. SHARE CAPITAL**

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

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**10. SHARE CAPITAL (continued)**

b) Shares issued

*For the nine months ended September 30, 2021:*

On March 18, 2021, the company closed a private placement of 40,000,000 units at \$0.05 per unit for gross proceeds of \$1,999,983. Each unit consist of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.055 per share for 36 months from the date of issuance. No value has been allocated to the attached warrants. In conjunction with the private placement, the Company incurred \$16,335 in share issuance costs.

During the nine months ended September 30, 2021, the Company issued 1,000,000 shares for the exercise of warrants for gross proceeds of \$70,000.

*For the nine months September 30, 2020:*

No securities were issued during the period.

c) Warrants

A summary of the warrant activity for the nine months ended September 30, 2021 and the year ended December 31, 2020 is as follows:

	2021		2020	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Balance, beginning of period	16,372,538	\$0.23	42,305,538	\$0.30
Issued in private placement units	40,000,000	0.06	-	-
Exercised	(1,000,000)	0.07	-	-
Expired	(14,342,538)	0.18	(25,933,000)	0.21
Balance, end of period	41,030,000	\$0.08	16,372,538	\$0.23

As at September 30, 2021 warrants outstanding were as follows:

Expiry date	Number	Exercise price	Weighted average remaining life
April 23, 2022	1,030,000	\$1.00	0.56
March 17, 2024	40,000,000	\$ 0.055	2.46
Outstanding as at September 30, 2021	41,030,000		2.42

As at September 30, 2021, the weighted average remaining contractual life of warrants outstanding was 2.42 years (December 31, 2020 – 0.30 years).

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP. (FORMERLY MARIFIL MINES LIMITED)**  
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**10. SHARE CAPITAL (continued)**

d) Stock options

The Company has an incentive stock option plan whereby share purchase options may be granted to directors, officers, employees and consultants of the Company and its subsidiaries. The total number of shares reserved under the plan may not exceed more than 10% of the outstanding shares at the time of granting the option. Options are granted at the market price or higher at the date of the grant, less any discounts permitted by regulatory authorities. Unless otherwise stated options vest when granted.

On September 23, 2021, the Company granted 3,450,000 stock options to directors and officers with a total fair value of \$138,910. 25% of the options vest every 6 months from the grant date. The expense is recorded over the vesting period. The options had a grant date fair value of \$0.04 per option determine by using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 149.1% based on historical volatility; risk-free interest rate of 0.61%; and expected life of 3.00 years.

On September 23, 2021, the Company granted 5,000,000 stock options to consultants with a total fair value of \$201,319. 25% of the options vest every 3 months from the grant date. The expense is recorded over the vesting period. The options had a grant date fair value of \$0.04 per option determine by using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 149.1% based on historical volatility; risk-free interest rate of 0.61%; and expected life of 3.00 years.

During the nine months ended September 30, 2021, total share-based compensation expense associated with the above option grants was \$10,861.

A summary of stock option activity for the nine months ended September 30, 2021 and the year ended December 31, 2020 is as follows:

	2021		2020	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Balance, beginning of period	550,000	\$0.11	2,285,000	\$0.23
Granted	8,450,000	0.05	-	-
Forfeited	-	-	(50,000)	0.11
Expired	-	-	(1,685,000)	0.15
Balance, end of period	9,000,000	\$0.05	550,000	\$0.11

As at September 30, 2021, options outstanding were as follows:

Number		Outstanding and Exercisable	Exercise Price	Expiry Date
550,000	Directors, Officers, and Consultants	550,000	\$0.11	August 21, 2023
8,450,000	Directors, Officers, and Consultants	8,450,000	\$0.05	September 23, 2024

As at September 30, 2021, the weighted average remaining contractual life of stock options outstanding was 2.92 years (December 31, 2020 – 2.64 years).

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**10. SHARE CAPITAL (continued)**

e) Per share amounts

	For the nine months ended September 30,		For the three months ended September 30,	
	2021	2020	2021	2020
Weighted average number of shares – basic:				
Issued common shares as at January 1 and July 1	60,075,432	60,075,432	101,075,432	60,075,432
Effect of common shares issued during the period	29,691,176	-	-	-
Effect of escrowed shares	(450,000)	(450,000)	(450,000)	(450,000)
	89,316,608	59,625,432	100,625,432	59,625,432
Loss per share – basic and diluted	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)

**11. GENERAL AND ADMINISTRATION EXPENSES**

	For the nine months ended September 30,		For the three months ended September 30,	
	2021	2020	2021	2020
Consulting fees	\$ 179,738	\$ 171,000	\$ 65,738	\$ 57,000
Directors' fees	-	-	-	-
Filing fees	13,216	12,431	558	1,894
Investor relations & shareholder info	46,500	31,500	25,500	10,500
Management fees	193,461	206,825	70,479	66,066
Marketing	5,347	-	19	-
Office and miscellaneous	88,767	28,789	13,046	10,488
Professional fees	104,043	39,403	71,164	26,868
	\$ 631,072	\$ 489,948	\$ 246,504	\$ 172,816

**12. BASIS OF FAIR VALUE**

The Company's financial instruments consist of cash, other receivables, advances, trade payables and other liabilities, and loans payable to related parties. The fair value of the Company's other receivables, advances, trade payables and other liabilities, and loans payable to related parties approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation. The Company's cash is measured at fair value under the fair market hierarchy, based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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**12. BASIS OF FAIR VALUE (continued)**

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**13. SUBSEQUENT EVENTS**

On October 7, 2021, pursuant to a services agreement with a Company belonging to an officer of the Company, the Company agreed to issue an aggregate of 250,000 common shares of the Company, representing the bonus earned by the Contractor pursuant to the services agreement. In accordance with Section 2.24 of National Instrument 45-106 the common shares are not subject to the four month and one day hold period. As part of the services agreement the Company agreed to pay concurrently and on a pro-rated basis at the same time as payment to any director, officer or contractor accrued consulting fees of \$137,342 (US\$108,302), \$14,000 (US\$10,403) in accrued milestone bonus and \$9,225 (US\$7,258) in accrued interest.

As part of the services agreement, the Company agreed to repay the Contractor the following amounts:

- Interest free loan outstanding in the amount of \$3,170 (US\$2,500);
- Reimbursement of expenses in the amount of \$4,380 (US\$3,454);
- Consulting fees of \$5,395 (US\$4,270) for August 2021; and
- Consulting fees of \$3,601 (US\$2,850) for September 2021.

On November 3, 2021, the Company entered into a share purchase agreement with NovaGold Argentina Inc. ("NovaGold"), pursuant to which NovaGold has sold all 5,051,537 of the shares of MSR that it owned to Marifil S.A. ("Marifil") in consideration for \$2,000,000 payable by Marifil as follows:

- Payment of \$250,000 on November 3, 2021 (paid);
- Delivery of a promissory note for \$750,000 which is repayable on or before November 1, 2022; and
- Delivery of a promissory note for \$1,000,000 which is repayable on or before November 1, 2023.