



**BURIN GOLD**

**BURIN GOLD CORP.**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited – Prepared by Management - Expressed in Canadian dollars)  
For the three and nine months ended September 30, 2021 and 2020

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**BURIN GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Prepared by Management - Expressed in Canadian dollars)  
As at

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 409,912	\$ 892,781
Deposits receivable (Note 3)	15,600	14,200
Taxes receivable	24,285	99,604
Prepaid expenses	19,543	31,671
<b>Total current assets</b>	<b>469,340</b>	<b>1,038,256</b>
Exploration and evaluation assets, net of recoveries (Note 3)	234,677	133,477
Deferred financing costs (Note 11)	98,525	-
Right-of-use asset (Note 4)	60,218	-
<b>Total Assets</b>	<b>\$ 862,760</b>	<b>\$ 1,171,733</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 102,516	\$ 135,144
Lease liability (Note 5)	21,548	-
<b>Total current liabilities</b>	<b>124,064</b>	<b>135,144</b>
Lease liability (Note 5)	38,071	-
	<b>162,135</b>	<b>135,144</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	4,070,091	3,597,742
Contributed surplus (Note 7)	449,383	227,092
Accumulated deficit	(3,818,849)	(2,788,245)
<b>Total Shareholders' Equity</b>	<b>700,625</b>	<b>1,036,589</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 862,760</b>	<b>\$ 1,171,733</b>

Going concern (Note 1)  
Subsequent events (Note 1 and 11)

**On behalf of the Board on November 26, 2021**

Tom Panoulas

Director

Phillip Walford

Director

*The accompanying notes are an integral part of these condensed interim financial statements.*

**BURIN GOLD CORP.****CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

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	<b>For the three months ended September 30, 2021</b>	For the three months ended September 30, 2020	<b>For the nine months ended September 30, 2021</b>	For the nine months ended September 30, 2020
<b>Expenses</b>				
Share-based payments (Notes 6 and 7)	\$ 284,339	\$ 32,508	\$ 399,527	\$ 50,569
Professional fees (Note 6)	73,821	4,398	227,439	23,050
Exploration and evaluation costs, net of recoveries (Notes 3 and 6)	63,823	410,113	274,273	645,105
Consulting (Note 6)	27,000	27,000	81,000	83,721
Office and general	9,095	151	21,844	3,370
Depreciation	5,993	-	11,694	-
Investor relations	2,250	11,630	6,750	15,130
Marketing	1,650	-	5,230	-
Finance expense	1,368	-	2,847	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (469,339)</b>	<b>\$ (485,800)</b>	<b>\$ (1,030,604)</b>	<b>\$ (820,945)</b>
<b>Weighted average number of shares outstanding</b>	<b>27,128,966</b>	<b>25,682,144</b>	<b>26,734,713</b>	<b>24,058,284</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>

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**BURIN GOLD CORP.**

## CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number	Amount			
<b>Balance, December 31, 2019</b>	20,950,000	\$ 1,622,056	\$ 59,609	\$ (1,602,430)	\$ 79,235
Shares issued on conversion of debt	250,000	95,115	-	-	95,115
Private placement	2,781,250	1,112,500	-	-	1,112,500
Flow through shares issued	2,407,419	962,968	-	-	962,968
Share issuance costs	-	(122,324)	-	-	(122,324)
Finders warrants issued	-	(69,970)	69,970	-	-
Stock based compensation	-	-	50,569	-	50,569
Loss for the period	-	-	-	(820,945)	(820,945)
<b>Balance, September 30, 2020</b>	26,388,669	\$ 3,600,345	\$ 180,148	\$ (2,423,375)	\$ 1,357,118
Share issuance costs	-	(2,603)	-	-	(2,603)
Stock based compensation	-	-	46,944	-	46,944
Loss for the period	-	-	-	(364,870)	(364,870)
<b>Balance, December 31, 2020</b>	26,388,669	\$ 3,597,742	\$ 227,092	\$ (2,788,245)	\$ 1,036,589
Shares issued on Noel option	272,629	6,550	(6,550)	-	-
Share issuance costs	-	(5,687)	-	-	(5,687)
Options exercised	601,600	471,486	(170,686)	-	300,800
Stock based compensation	-	-	399,527	-	399,527
Loss for the period	-	-	-	(1,030,604)	(1,030,604)
<b>Balance, September 30, 2021</b>	27,262,898	\$ 4,070,091	\$ 449,383	\$ (3,818,849)	\$ 700,625

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

**BURIN GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Prepared by Management - Expressed in Canadian dollars)  
For the nine months ended September 30,

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Net loss for the period	\$ (1,030,604)	\$ (820,945)
Items not involving cash:		
Share-based payments	399,527	50,569
Depreciation	11,694	-
Finance expense	2,847	-
Changes in non-cash working capital items:		
Deposits receivable	(1,400)	-
Taxes receivable	75,319	(36,868)
Prepaid expenses	12,128	(1,000)
Accounts payable and accrued liabilities	(47,543)	219,343
<b>Net cash used in operating activities</b>	<b>(578,032)</b>	<b>(588,901)</b>
<b>Cash Flows from Investing Activities</b>		
Additions to exploration and evaluation assets	(102,600)	(50,000)
Project deposits recoveries	1,400	40,993
Lease inducement	(3,500)	-
<b>Net cash used in investing activities</b>	<b>(104,700)</b>	<b>(9,007)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from private placement	-	1,112,500
Proceeds from flow through shares issued	-	962,968
Share issuance costs	(5,687)	(122,324)
Deferred financing costs	(83,610)	-
Options exercised	300,800	-
Lease payments	(11,640)	-
<b>Net cash provided by financing activities</b>	<b>199,863</b>	<b>1,953,144</b>
<b>Change in cash in the period</b>	<b>(482,869)</b>	<b>1,355,236</b>
<b>Cash, beginning of period</b>	<b>892,781</b>	<b>70,158</b>
<b>Cash, end of period</b>	<b>\$ 409,912</b>	<b>\$ 1,425,394</b>
<b>Non-monetary transactions</b>		
Conversion of debentures at face value to common shares	\$ -	\$ 100,000
Noel option cashless exercised	6,550	-
Deferred financing costs in accounts payable and accrued liabilities	14,915	-
Cash paid for interest and taxes	2,407	-

*The accompanying notes are an integral part of these condensed interim financial statements.*

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**1. NATURE OF BUSINESS AND GOING CONCERN****Nature of Business**

Burin Gold Corp. formerly Bonavista Resources Corp. (the "Company" or "Burin Gold") was incorporated as 2622579 Ontario Inc. in the Province of Ontario on February 27, 2018. The Company changed its name to Bonavista Resources Corp. in March 2018 then changed its name to Burin Gold Corp. in May 2021 and continued from the Province of Ontario into the Province of British Columbia under the Business Corporations Act (British Columbia). Burin Gold carries on business in one segment, being the identification, acquisition, and exploration of properties for mining of precious and base metals. The Company's principal assets are mineral licenses located in Province of Newfoundland and Labrador. The Company's registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1K8. The Company's head office is located at 210-1820 Fir Street, Vancouver BC, V6J 3B1.

On November 22, 2021, the Company completed its Initial Public Offering ("Offering") and its common shares commenced trading on the TSX Venture Exchange ("TSXV") at the opening of business on November 24, 2021. The common shares of the Company trades under the symbol "BURG".

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**

The business of mining and exploring for minerals 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, the achievement of the Company's ability to dispose of its interests on an advantageous basis, and the Company's ability to obtain financing arrangements. These conditions indicate that a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

**2. BASIS OF PRESENTATION****Statement of Compliance**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") has been omitted or condensed.

Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2020.

The financial statements were authorized for issue by the Board of Directors on November 26, 2021.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**2. BASIS OF PRESENTATION (cont.)****Basis of Measurement**

The financial statements are presented in Canadian dollars unless otherwise indicated and have been prepared on a historical cost basis except for certain financial instruments, which are carried at fair value.

**Significant Accounting Estimates and Judgments**

The preparation of these condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts, calculation of share-based payments, right-of-use asset and lease liability.

The most significant judgments relate to the application of the Company's accounting policy for exploration and evaluation expenditure and impairment of exploration and evaluation assets.

**Adoption of new accounting policies**

In addition to the accounting policies in the Company's financial statements for the year ended December 31, 2020, the Company has adopted the following accounting policies:

*Deferred Financing Costs*

Costs incurred in relation to transactions that are pending at the end of the reporting period as deferred costs until the closing of such transactions or expensed if such transactions do not complete.

*Leases*

The Company adopted IFRS 16 Leases on January 1, 2021. The adoption of IFRS 16 did not have any impact on the Company's financial statements as the Company was not a party to any leases at the time of adoption. At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## **BURIN GOLD CORP.**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS  
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### **2. BASIS OF PRESENTATION (cont.)**

#### **Adoption of new accounting policies (cont.)**

##### *Leases (cont.)*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

The Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

### **3. EXPLORATION AND EVALUATION ASSETS**

#### **The Hickey's Pond - Paradise Gold Project**

The Hickey's Pond – Paradise Gold Project ("HPPP") comprises several staked, optioned, and purchased mineral licences located in south-eastern Newfoundland on the Burin Peninsula and which are summarized as follows:

##### **Noel Option License ("Noel Option License")**

Pursuant to an option agreement dated May 3, 2018, the Company has the right to acquire 100% interest, on completing the conditions outlined below, in 11 mineral licenses located on the Burin Peninsula, Newfoundland & Labrador, subject to a 2% net smelter royalty (NSR) subject to a 1% buyout provision for \$1,000,000. Should a change in control occur before the Company becomes a reporting issuer and the market value of the Company at the time of the change of control is less than \$5,000,000, the NSR will increase to 3%, subject to a 2% buyout provision for \$2,000,000.

Burin Gold has agreed to pay a total of \$200,000 in cash payments to acquire its interest over a period of three years as follows:

- (i) \$25,000 upon execution of the agreement (**paid**)
- (ii) \$25,000 on the first anniversary of the date of the agreement; (**paid**)
- (iii) \$50,000 on the second anniversary of the date of this agreement; (**paid**) and
- (iv) \$100,000 on the third anniversary of the date of this Agreement. (**paid**)

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS  
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**3. EXPLORATION AND EVALUATION ASSETS (cont.)****The Hickey's Pond - Paradise Gold Project (cont.)****Noel Option License ("Noel Option License") (cont.)**

Burin Gold further committed to spend a total of \$500,000 on exploration and development expenditures over a period of four years as follows:

- (i) \$75,000 on or before the first anniversary of the date of this agreement.
- (ii) the balance of the amount remaining less the \$75,000 expended in the first year in the amounts as determined in the sole discretion of the Company provided that on the fourth-year anniversary of the date of this agreement a total of \$500,000 has been expended on exploration work on the property.

The Company met the committed expenditure requirements and earned a 100% interest in certain mineral claims in 2021.

Pursuant to the option agreement, as amended February 10, 2021, the Optionors of the Noel Option License shall be allowed to purchase common shares from Burin Gold at \$0.0001 per share in order for the optionors' to maintain an aggregate ownership equal to 1.0% of the issued and outstanding shares of the Company on a non-diluted basis. Fair value of the option at grant date is estimated to be \$6,550 and recorded as contributed surplus. During the nine months period ended September 30, 2021, this option was exercised, and 272,629 common shares were issued to the optionors as all conditions had been satisfied.

**Chimney Falls License (026114M)**

Pursuant to a mineral property purchase agreement dated September 5, 2018, the Company has acquired 100% interest in a license, representing 4 claims, for \$6,000 in Chimney Falls, Newfoundland, subject to a 2% Net Smelter Royalty (NSR) subject to a 1% buyout provision for \$50,000.

**Staked Claims**

Burin Gold currently has several mineral licenses which have been staked by the Company. The current active licenses are:

- 025964M – 1 license representing 256 claims
- 025965M – 1 license representing 256 claims
- 030955M – 1 license representing 12 claims

The following is a summary of the carrying amount of exploration and evaluation assets:

	<b>September 30, 2021</b>	December 31, 2020
<b>Acquisition costs</b>		
Balance, beginning of period	\$ 133,477	\$ 140,590
Additions	102,600	50,780
Recoveries	(1,400)	(55,193)
Impairments	-	(2,700)
Balance, end of period	\$ 234,677	\$ 133,477

As at September 30, 2021, the Government of Newfoundland and Labrador owed the Company \$15,600 (December 31, 2020 - \$14,200) in refunded deposits which is included in deposits receivable.

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS  
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For the nine months ended September 30, 2021 and 2020

**3. EXPLORATION AND EVALUATION ASSETS (cont.)**

There were no impairment losses during the nine months ended September 30, 2021 (December 31, 2020 - \$2,700).

During the three and nine months ended September 30, 2021 and 2020, the Company incurred exploration costs as follows:

	<b>For the three months ended September 30, 2021</b>	For the three months ended September 30, 2020	<b>For the nine months ended September 30, 2021</b>	For the nine months ended September 30, 2020
<b>Exploration and evaluations costs</b>				
Assay and analytical	\$ 9,720	\$ 23,053	\$ 50,691	\$ 33,854
Drilling	-	139,325	-	160,529
Equipment rental	3,072	29,420	11,865	42,505
Field expenditures	5,871	45,114	23,535	75,953
Geological consulting	45,160	78,874	174,500	242,837
Labour	-	64,250	30,500	142,150
Recoveries	-	-	(76,500)	(82,800)
Transportation	-	30,077	59,682	30,077
<b>Total</b>	<b>\$ 63,823</b>	<b>\$ 410,113</b>	<b>\$ 274,273</b>	<b>\$ 645,105</b>

The recoveries consist of government grants received from the Government of Newfoundland and Labrador under the Junior Exploration Assistance (“JEA”) program. During the nine months ended September 30, 2021 and 2020, a grant received in the amount of \$76,500 and \$82,800 has been recognized under the JEA program related to exploration and evaluation expenditures incurred in 2020 and 2019 respectively.

**4. RIGHT-OF-USE ASSET**

The Company entered into an office space lease agreement for a three-year term commencing April 1, 2021.

	<b>September 30, 2021</b>
<b>Right-of-use asset</b>	
Balance, beginning of period	\$ -
Additions	71,912
Depreciation expense	(11,694)
<b>Balance, end of period</b>	<b>\$ 60,218</b>

**BURIN GOLD CORP.**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Prepared by Management - Expressed in Canadian dollars)  
For the nine months ended September 30, 2021 and 2020

**5. LEASE LIABILITY**

	<b>September 30, 2021</b>
<b>Lease liability</b>	
Balance, beginning of period	\$ -
Additions	67,334
Finance expense	2,847
Lease payments	<u>(10,562)</u>
<b>Balance, end of period</b>	<b>\$ 59,619</b>
Current	\$ 21,548
Long term	<u>\$ 38,071</u>

The Company has applied an incremental borrowing rate of 9%.

	<b>September 30, 2021</b>
<b>Maturity analysis – contractual undiscounted cash flows</b>	
2021	\$ 6,337
2022	26,111
2023	27,125
2024	<u>6,844</u>
<b>Total undiscounted lease liability, end of period</b>	<b>\$ 66,417</b>

**6. RELATED PARTY TRANSACTIONS**

The remuneration of key management personnel, which includes directors, officers and consulting company of which an officer is an employee, including amounts disclosed below, during the three and nine months ended September 30, 2021 and 2020 were as follows:

	<b>For the three months ended September 30, 2021</b>	For the three months ended September 30, 2020	<b>For the nine months ended September 30, 2021</b>	For the nine months ended September 30, 2020
<b>Payments to key management personnel</b>				
Consulting fees	\$ -	\$ 9,000	\$ 12,000	\$ 27,000
Geological consulting	<b>49,202</b>	50,560	<b>185,583</b>	177,406
Professional fees	<b>32,400</b>	-	<b>54,800</b>	-
Share-based payments	<b>258,406</b>	21,675	<b>353,897</b>	36,125

At September 30, 2021, \$58,490 (December 31, 2020 - \$21,730) (included in accounts payable and accrued liabilities) is due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**7. 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.

**b) Transactions**

During the nine months ended September 30, 2021, the Company issued:

- i) 272,629 common shares upon the cashless exercise of the Noel Option License on March 22, May 10 and July 23, 2021 (Note 3).
- ii) 551,600 common shares for stock options exercised for gross proceeds of \$275,800 on July 20, 2021.
- iii) 50,000 common shares for stock options exercised for gross proceeds of \$25,000 on July 23, 2021

During the year ended December 31, 2020, the Company issued:

- iv) 2,781,250 common shares at \$0.40 per share for gross proceeds of \$1,112,500 pursuant to a brokered private placement that closed on February 13, 2020. Share issuance costs of \$95,788 were incurred on this issuance.
- v) 250,000 common shares at \$0.40 per share on the conversion of a face value of \$100,000 debenture with a fair value of \$95,115 on February 21, 2020.
- vi) 2,407,419 flow-through shares at \$0.40 per share for gross proceeds of \$962,968 pursuant to a brokered private placement that closed on July 27, 2020. Share issuance costs of \$29,139 were incurred on this issuance. The gross proceeds from the flow-through private placement will be used to fund Canadian exploration expenses (within the meaning of the Income Tax Act (Canada)) (Note 8). There was no flow-through share premium assigned to the flow-through share issuance.

**c) Stock options**

The Company has issued stock options as approved by the Board of Directors who determine the vesting terms and conditions at the time of the grant. The options granted vest in thirds, with one third vesting on each of the first, second, and third anniversary of the date of the grant. On July 5, 2021, the Company's Board of Directors amended the option vesting provision, removing the current schedule of vesting in thirds, with one third vesting on each of the first, second and third anniversary of the date of grant and adopting an immediate vesting provision, on existing options and all proposed option grants pursuant to the Company's stock option plan. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors, officers, and technical consultants, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS  
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**7. SHARE CAPITAL (cont.)**

## c) Stock options (cont.)

During the nine months ended September 30, 2021, the Company granted 500,000 (September 30, 2020 – 750,000) stock options with a weighted average fair value of \$0.29 per option (September 30, 2020 - \$0.28).

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted.

	<b>September 30, 2021</b>	September 30, 2020
Risk-free interest rate	<b>0.93 %</b>	0.44 %
Expected life of options	<b>5.00 years</b>	5.00 years
Expected annualized volatility	<b>100 %</b>	100 %
Dividend	-	-

Stock option transactions are summarized as follows:

	<b>Number of Options</b>	<b>Weighted average exercise price</b>
Balance, December 31, 2019	-	\$ -
Granted	<u>1,250,000</u>	<u>0.50</u>
Balance, December 31, 2020	1,250,000	\$ 0.50
Granted	500,000	\$ 0.50
Exercised	<u>(601,600)</u>	<u>\$ (0.50)</u>
Balance, September 30, 2021	1,148,400	\$ 0.50
Exercisable, September 30, 2021	1,148,400	\$ 0.50

The following stock options were outstanding as at September 30, 2021:

<b>Date of grant</b>	<b>Options Outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining life in years</b>
April 27, 2020	250,000	\$ 0.50	April 27, 2025	3.58
May 21, 2020	250,000	\$ 0.50	May 21, 2025	3.64
October 28, 2020	200,000	\$ 0.50	October 28, 2025	4.08
March 24, 2021	238,400	\$ 0.50	March 24, 2026	4.48
May 17, 2021	210,000	\$ 0.50	May 17, 2026	4.63
	<u>1,148,400</u>			<u>4.08</u>

**BURIN GOLD CORP.**

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**7. SHARE CAPITAL (cont.)**

## c) Stock options (cont.)

The Company recognized share-based payments for options granted and vesting, net of recoveries on cancellations of unvested options, during the nine months ended September 30, 2021 and 2020 as follows:

	<b>For the three months ended September 30, 2021</b>	For the three months ended September 30, 2020	<b>For the nine months ended September 30, 2021</b>	For the nine months ended September 30, 2020
<b>Share-based payments</b>	<b>\$ 284,339</b>	\$ 32,508	<b>\$ 399,527</b>	\$ 50,569

**d) Anti-dilution pooling agreements**

On February 27, 2018 and March 20, 2018, the Company entered into anti-dilution pooling agreements with Daniel James and David Clark and issued 1,500,000 and 3,000,000 common shares to them, respectively. These shares are subject to share adjustment. If the shares issued exceed 5% and 10% of the issued and outstanding common shares of the Company on a fully-diluted basis on the date of a liquidity event, the Company shall purchase the excess shares for cancellation at a price of \$0.001 per share. Liability related to the required share adjustment is not recorded as it does not have material effect.

On May 28, 2021, the Company completed Termination Agreements with David Clark and Daniel James to terminate the anti-dilution pooling agreements.

**e) Anti-dilution option agreements**

On April 4, 2018, the Company entered into anti-dilution option agreements with Daniel James and David Clark which allows them to purchase shares from the company at \$0.0001 per share in order to maintain ownership equal to 5.0% and 10.0% respectively of the issued and outstanding shares on a non-diluted basis. No amount is recognized as the vesting condition for these options are not expected to be satisfied.

On May 28, 2021, the Company completed Termination Agreements with David Clark and Daniel James to terminate the anti-dilution option agreements.

**f) Finder's warrants**

On November 22, 2019, the Company entered into an agreement with a securities company acting as the agent for private placement offerings of common shares and flow-through common shares of the Company in exchange for a finder's fee up to 7% of gross proceeds and finders' warrants up to 7% of the number of offered securities sold under the offering. On February 13, 2020 and July 27, 2020, finders' warrants were issued in the amount of 194,688 and 72,772 respectively. Each warrant entitles the holder to purchase one common share at a price of \$0.40 for a period starting on the date of issuance of the common shares and ending 24 months following the day on which the common shares are listed on a recognized stock exchange.

The value attributed to the finder's warrants was \$69,670 using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 100%, risk free interest between 0.27% to 1.25% and an expected life ranging from 3.2 to 3.6 years.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**8. FLOW-THROUGH SHARES**

Pursuant to the terms of the flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. Expenditures related to the use of flow-through share proceeds are included in exploration and evaluation expenditures but are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors.

On June 29, 2021, Bill C-30 received Royal Assent and became law. Bill C-30 resulted in the temporary extension of timelines for spending the capital raised through the issuance of flow-through shares by 12 months, for flow-through share agreements entered in 2019 or 2020. This extended the Company's timeline in respect of its obligations with respect to its 2020 flow-through financing from December 31, 2021 to December 31, 2022. The Company also indemnifies subscribers of the flow-through shares for taxable amounts that may become due if the Company does not complete its contractual obligations related to the flow-through shares.

As at December 31, 2020, the Company is committed to incur \$962,968 in Canadian exploration expenses by December 31, 2022 arising from the flow-through share agreement. As at September 30, 2021, the Company had approximately \$346,000 in unspent flow-through funds.

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT****Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

**Risk management**

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 financial statements.

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

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**9. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont.)****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.

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

**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. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year, and a lease liability (Note 5).

**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. 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 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.

**10. SEGMENT INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties in Canada, refer to Note 3.

**BURIN GOLD CORP.****NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management - Expressed in Canadian dollars)

For the nine months ended September 30, 2021 and 2020

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**11. SUBSEQUENT EVENTS**

As at September 30, 2021, the Company had incurred costs of \$98,525 related to the Offering capitalized as deferred financing costs until the Offering closed.

On November 22, 2021, the Company completed an initial public offering (the "Offering") of 7,781,815 units (the "Units") at a price of \$0.60 and 3,263,776 flow-through shares (the "FT Shares") at a price of \$0.69 resulting in aggregate gross proceeds of \$6,921,094 all pursuant to the final prospectus of the Company dated November 10, 2021.

The Units and FT Shares are offered separately from each other. Each Unit comprises one common share of the Company (each a "Common Share") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant is exercisable into one common share of the Company (each, a "Warrant Share") at an exercise price of \$0.85 per Warrant Share on the date that is 24 months following the closing of the Offering. Haywood Securities Inc., Laurentian Bank Securities Inc. and Echelon Wealth Partners Inc. are acting as agents (together, the "Agents") for the Offering.

Commissions, legal fees, and corporate finance fees in the amount of \$561,797 were paid in connection with the Offering. In addition, 41,666 common shares and 642,187 broker warrants of the Company were issued as corporate finance fee compensation.