

Stuve Gold Corp.
(formerly Big Dougie Capital Corp.)
Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2019

To the Shareholders of Stuve Gold Corp. (formerly Big Dougie Capital Corp.):

Opinion

We have audited the consolidated financial statements of Stuve Gold Corp. (formerly Big Dougie Capital Corp.) and its subsidiary (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Corporation reported a net loss and negative cash flow from operations during the year ended December 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brad Frampton.

Calgary, Alberta
April 29, 2021

MNP LLP
Chartered Professional Accountants

STUVE GOLD CORP.
Consolidated Statements of Financial Position
(Stated in Canadian Dollars)

As at,		December 31, 2020	December 31, 2019
Assets	<i>Notes</i>		
Current			
Cash and cash equivalents	4	\$ 463,110	\$ 537,346
Other receivable		499	-
Total current assets		463,609	537,346
Mineral properties	5	3,753,795	-
Total Assets		\$ 4,217,404	\$ 537,346
Liabilities			
Current			
Trade and other payables		\$ 98,543	\$ 15,807
Due to director	6	6,000	-
Total current liabilities		104,543	15,807
Total Liabilities		104,543	15,807
Shareholders' Equity			
Share capital	7	4,565,587	640,782
Contributed surplus		407,898	106,410
Deficit		(860,624)	(225,653)
Accumulated other comprehensive income		-	-
Total shareholders' equity		4,112,861	521,539
Total liabilities and shareholders' equity		\$ 4,217,404	\$ 537,346

Incorporation and operations (Note 1)

Approved on Behalf of the Board of Directors

Signed "Al Kroontje"

 Al Kroontje

Signed "V.E. Dale Burstall"

 Dale Burstall

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

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

For the Years ended December 31,	Notes		2020		2019
Expenses					
General and administrative	8	\$	315,381	\$	57,333
Share-based compensation	7(d)		294,015		-
Realized foreign exchange loss			25,575		-
			634,971		57,333
<hr/>					
Net loss and comprehensive loss		\$	(634,971)	\$	(57,333)
<hr/>					
Net loss per share:					
Basic and diluted		\$	(0.09)	\$	(0.09)
Weighted average common shares:					
Basic and diluted (post-consolidation)	7		7,363,015		666,667

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

STUVE GOLD CORP.
Consolidated Statement of Changes in Shareholders' Equity
(Stated in Canadian Dollars)

	<i>Notes</i>	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity
As at December 31, 2018		\$ 640,782	\$ 106,410	\$ (168,320)	\$ 578,872
Net loss		-	-	(57,333)	(57,333)
Balance December 31, 2019		\$ 640,782	\$ 106,410	\$ (225,653)	\$ 521,539
Issuance of common shares		3,943,250	-	-	3,943,250
Share issue costs	7	(10,972)	-	-	(10,972)
Fair value of broker warrants	7	(7,473)	7,473	-	-
Fair value of stock options	7	-	294,015	-	294,015
Net loss		-	-	(634,971)	(634,971)
Balance, December 31, 2020		\$ 4,565,587	\$ 407,898	\$ (860,624)	\$ 4,112,861

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

Stuve Gold Corp.
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)

For the Years Ended December 31,	Notes	2020	2019
Cash provided by (used for):			
Operating activities			
Net loss		\$ (634,971)	\$ (57,333)
Share-based compensation	7(d)	294,015	-
Add (deduct) items not affecting cash flow:			
Other receivable		(499)	-
Trade and other payables		32,691	8,864
Cash flows used in operating activities		\$ (308,265)	\$ (48,469)
Investing activities			
Property acquisition	5	(807,675)	-
Exploration and evaluation expenditures	5	(196,120)	-
Trade and other payables		49,546	-
Cash flows used in investing activities		(954,249)	-
Financing activities			
Issuance of share capital	7	1,193,250	-
Share issue costs	7	(10,972)	-
Advance from a director	6	6,000	-
Cash flows provided by financing activities		1,188,278	-
Decrease in cash and cash equivalents		(74,236)	(48,469)
Cash and cash equivalents, beginning of the year		537,346	585,815
Cash and cash equivalents, end of the year		\$ 463,110	\$ 537,346

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

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

1. Incorporation and operations

Stuve Gold Corp. (the "Corporation") was incorporated on December 14, 2017 as Big Dougie Capital Corp. by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The head office of the Corporation is located at 900, 903 - 8th Avenue SW, Calgary Alberta T2P 0P7 and the registered office of the Corporation is located at Suite 1600, Dome Tower, 333 - 7th Avenue SW, Calgary Alberta, T2P 2Z1.

During the year ended December 31, 2020, the following occurred:

Qualifying Transaction

The Corporation entered into a non-binding letter of intent dated March 19, 2020 followed by a binding formal agreement dated August 28, 2020 pursuant to which the Corporation intended to acquire certain mineral claims in Chile (the "Transaction") held by Compañía Recursos Andina Limitada. The Transaction served as the Corporation's qualifying transaction ("Qualifying Transaction") as defined in the policies of the TSX Venture Exchange (the "Exchange"). The Corporation received conditional approval from the Exchange for the Transaction on August 28, 2020 following which the Corporation posted a Filing Statement on Sedar relating to the Transaction on August 31, 2020. The Corporation closed the Transaction on October 2, 2020 and on October 8, 2020 the Exchange issued its final acceptance of the Transaction such that the Corporation's Qualifying Transaction was completed. As a result, the Corporation's common shares re-commenced trading on the facilities of the Exchange on October 13, 2020.

Name Change and Consolidation

At a special meeting held on November 9, 2020, the shareholders of the Corporation approved two special resolutions which i) approved a name change of the Corporation from "Big Dougie Capital Corp." to "Stuve Gold Corp."; and ii) approved the consolidation of the Corporation's common shares on a 3:1 basis. On November 13, 2020, the Corporation amended its articles to give effect to the name change and the share consolidation. On November 17, 2020, the Corporation's common shares commenced trading on the Exchange under the new name and on the consolidated basis.

Going concern

The consolidated financial statements have been prepared by management in accordance with IFRS on a going concern basis. The going concern basis contemplates the realization of assets and the settlement of liabilities in the ordinary course of business. If the Company is unable to raise funds to pay its liabilities as they become due and successfully finance its current and future exploration projects, it may not be able to realize its assets and discharge its liabilities in the normal course of operations.

For the year ended December 31, 2020, the Corporation reported a net loss of \$634,971 (2019 - \$57,333) and negative cash flows from operations of \$308,265 (2019 - \$48,469). These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation's ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and the classification of the Corporation's assets and liabilities. The accompanying consolidated financial statements do not include any adjustments that may result if the Corporation is unable to continue as a going concern, and, such adjustments could be material.

COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact on the Corporation.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

2. Basis of preparation

Statement of compliance

These consolidated financial statements, including required comparative information, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect at January 1, 2020.

These financial statements, and the policies applied herein, were authorized for issue by the Corporation's Board of Directors on April 29, 2021.

Basis of measurement

These consolidated financial statements are stated in Canadian dollars which is the Corporation's functional currency and were prepared on a going concern basis under the historical cost convention except for certain financial instruments that have been measured at fair value.

The functional currency of the Corporation's 99% owned subsidiary, Compañía Recursos Andina Limitada ("Andina") is the Chilean Peso. The 1% non-controlling interest of Andina is held in trust for the Corporation, effectively resulting in a 100% ownership.

Consolidation

The consolidated financial statements include the accounts of the Corporation and Andina, which is a limited liability partnership of which the Corporation owns 99%. The Corporation has consolidated the assets, liabilities and expenses of its subsidiary after the elimination of inter-company transactions and balances. The subsidiary was acquired in relation to the Corporation's qualifying transaction and its principal business is the acquisition and development of mineral properties.

Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Corporation's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management has determined that there is no material restoration, rehabilitation or environmental exposure based on the facts and circumstances that existed during the year.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

2. Basis of preparation (continued)

Business Combinations

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Management determines whether assets acquired and liabilities assumed constitute a business. In examining processes and potential outputs, management considers the ability of the acquired and existing processes to adequately be capable of producing the potential outputs; where the processes are insufficient and/or incomplete to produce potential outputs, the Company considers the acquisition to be an asset acquisition.

Mineral Properties

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances and in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off, in whole or in part, in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances evaluating whether the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Corporation's review considers the following:

- The period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Share-based compensation

The recognition of expenses associated with the Corporation's stock option plan requires estimates of the fair value of stock options granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options.

Deferred taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Corporation operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Corporation is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently than management. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

3. Significant Accounting Policies

a) Cash

Cash and cash equivalents, defined as being cashable within 90 days, is comprised of cash on deposit and highly liquid investments at a Canadian and a Chilean financial institution and funds held in lawyer's trust account.

b) Mineral property expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, exploration and evaluation activity, and the fair value, at the date of acquisition, of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Corporation has obtained legal rights to explore an area are recognized in net loss. Acquisition costs, including general and administration costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Exploration and evaluation assets are assessed for impairment if sufficient evidence exists to determine technical feasibility and commercial viability, and facts and circumstances suggest the carrying amount exceeds the recoverable amount. Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property development assets within property and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependable on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Actual costs incurred upon settlement of the decommissioning liability are charged against the provision to the extent the provision was established.

c) Fair value of financial instruments

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

d) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax, risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on associated assets.

e) Share capital

Proceeds from the issuance of common shares are classified as equity on the consolidated statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2020 and 2019

3. Significant Accounting Policies (continued)

f) Share purchase warrants

The Corporation issues share purchase warrants in connection with certain equity transactions. The fair value of the warrants, as determined using the Black-Scholes pricing model on a residual value basis is credited to equity reserves. The recorded value of the share purchase warrants is transferred to share capital upon exercise.

g) Share-based payments

The Corporation follows the fair value method for recognition of stock options awarded to directors, officers and consultants. Under this method, the equity instruments are recorded at their fair value based on the market price on the date of grant. For stock options, the fair value is estimated using the Black Scholes option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock, its expected volatility, expected dividends of the stock and the risk-free interest rate over the expected life of the option. Compensation costs are recognized over the vesting period of the stock options.

Share-based compensation expense is recorded to profit and loss or mineral properties with a corresponding increase recorded to contributed surplus. Cash consideration received when options are exercised is credited to share capital along with the related amount previously recorded in contributed surplus.

h) Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Basic and diluted loss per share for each year presented are the same due to the potential issuances of shares under warrant or share option agreements being, in total, anti-dilutive.

i) Foreign operations

For entities whose functional currency is the Canadian dollar, transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognized in the year in which they arise.

The financial results of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. Income and expenditures of foreign operations are translated at the average rate of the exchange for the year. All assets and liabilities are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognized as other comprehensive loss ("OCL").

j) Taxes

Taxes are comprised of current and deferred taxes. Tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in other comprehensive loss or elsewhere in shareholders' equity, in which case the related tax expense or recovery is also recognized directly in other comprehensive loss or elsewhere in shareholders' equity.

Current tax expense is the expected cash tax payable on the taxable loss for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax expense and related liability is recognized with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to continue 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.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

3. Significant Accounting Policies (continued)

k) Financial instruments

The Corporation measures its financial assets and liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instruments' classifications.

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through OCL (FVOCI) and fair value through profit and loss (FVTPL). The classification categories are as follows:

- A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are measured using the effective interest method.
- Financial assets at fair value through other comprehensive income: assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through profit or loss: assets that do not meet the criteria for amortized cost or fair value through other comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to those assets are transferred.

Financial liabilities – The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the Consolidated Statement of Income (Loss) and Comprehensive Income (Loss).
- Financial liabilities measured at fair value through profit or loss: financial liabilities measured a fair value with changes in fair value and interest expense recognized in the Consolidated Statement of Loss and Comprehensive Loss.

Below is a summary indicating the classification and measurement bases of the Corporation's financial instruments:

Financial Instrument	Classification	Measurement
Assets		
Cash	Amortized cost	Amortized cost
Other receivable	Amortized cost	Amortized cost
Liabilities		
Trade and other payables	Amortized cost	Amortized cost

The Company utilizes an "expected credit loss" ("ECL") model for determining impairment or recognition of credit losses on financial assets measured at amortized cost ("AC") or at FVOCI.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

4. Cash equivalents

Cash equivalents consists of \$27,500 held in trust with the Corporation's legal counsel, resulting from proceeds of the private placement.

5. Mineral properties - exploration and evaluation expenditures

The Corporation's exploration and evaluation expenditures relate to mineral properties in Chile and are as follows:

Balance, December 31, 2019	\$	-
Acquisition, Coba property		3,424,425
Acquisition, Santa Gracia		133,250
Lease and capital expenditures		196,120
Balance, December 31, 2020	\$	3,753,795

Coba

The Corporation acquired 99.9% of the partnership interest of Compañía Recursos Andina Limitada ("Andina") a limited liability company that holds a 100% interest in a gold, silver, copper and cobalt property in northern Chile in exchange for the payment of US\$500,000 and the issuance of an aggregate 50,000,000 common shares of the Corporation at a deemed price of \$0.055 per share. Management determined that the acquisition of Andina did not meet the definition of a business in accordance with IFRS 3 Business Combinations, as it did not have the inputs, processes and outputs required to meet the definition of a business. Accordingly, the acquisition has been accounted for as an asset acquisition.

Santa Gracia

Effective November 9, 2020, the Company signed an option agreement (the "Agreement") which provides the Company the ability to acquire a 90% undivided right, title and interest in the Santa Gracia property ("Santa Gracia"). The Company will earn the interest according to the following schedule:

- a) To earn an undivided fifty percent interest, the Corporation shall:
 - (i) Make a cash payment to the optionee totaling \$100,000; and,
 - (ii) Incur expenditures on the property totaling US\$500,000 during the period that is within 24 months following the execution of the Agreement.
- b) To earn an additional undivided twenty-five percent interest, the Corporation shall incur additional expenditures on Santa Gracia of US\$500,000 on or before the 48th month anniversary of execution of the Agreement.
- c) To earn an additional undivided fifteen percent interest, the Corporation shall incur additional expenditures on Santa Gracia of US\$1,000,000 on or before the 60th month anniversary of execution of the Agreement.

As at December 31, 2020, the Corporation held a gold property portfolio in Chile comprising approximately 12,370 hectares of exploration claims.

Mineral Property Expenditure

The mineral properties do not require any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of US\$1.50/hectare to the Chilean government in relation to exploration concessions.

The Corporation has reviewed its mineral properties for impairment indicators at December 31, 2020 and determined there were no indicators of impairment.

6. Due to director

The amount due to director consists of \$6,000 which is due on demand, unsecured and non-interest bearing. The amount was advanced to the Corporation in connection with the qualifying transaction.

STUVE GOLD CORP.

(Formerly Big Dougie Capital Corp.)

Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

7. Share capital

a) Authorized:

Unlimited number of voting Common Shares

Unlimited number of non-voting Preferred shares issuable in series

b) Issued: common shares

	#	\$
Balance, December 31, 2019 and 2018	12,000,000	640,782
Shares issued for acquisition of mineral properties	50,000,000	2,750,000
Shares issued for cash	21,695,458	1,193,250
Share issue costs:		
Fair value of broker warrants	-	(7,473)
Commissions	-	(10,972)
Share Consolidation 3:1	(55,796,974)	-
Balance, December 31, 2020	27,898,484	4,565,587

During the year ended December 31, 2020, share capital changed as follows:

- October 2020: in connection with the Qualifying Transaction, 50,000,000 shares were issued for the acquisition of mineral properties.
- October 2020: in connection with the Qualifying Transaction the Corporation closed a private placement of 21,695,458 common shares at a price of \$0.055 per share for gross proceeds of \$1,193,250.

Share issue costs of \$18,446 include commissions paid totalling \$10,972 and \$7,473 being the fair value of the brokers' warrants. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.165 per share (post-consolidation), expiring twelve months from the date of their issuance.

- November 2020: the common shares of the Corporation were consolidated on a 3:1 basis.

c) Agent warrants

A summary of changes to the agent warrants during the years then ended is as follows:

	December 31, 2020		December 31, 2019	
	# of Agent Warrants	Weighted Average Price	# of Agent Warrants	Weighted Average Price
Balance, beginning of year	200,000	\$ 0.10	200,000	\$ 0.10
Granted	66,500	\$ 0.165	-	\$ -
Expired	(200,000)	\$ (0.10)	-	\$ -
Exercised	-	\$ -	-	\$ -
Balance end of year	66,500	\$ 0.165	200,000	\$ 0.10

The remaining contractual life of the warrants is 0.77 years (2019 – 0.5 years).

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7. Share capital (continued)

The fair value of the warrants has been estimated at the date of grant using the Black-Scholes option pricing model on the following assumptions:

October 8, 2020	
Dividend yield	0%
Expected volatility	126%
Risk-free interest rate	0.25%
Forfeiture rate	0%
Share price - issuance	\$ 0.21
Term	12 months
Fair value per warrant	\$ 0.1124

d) Stock options

The Corporation has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") for the benefit of directors, officers, employees and other key personnel of the Corporation. A maximum of 10% of the issued and outstanding common shares of the Corporation are reserved for issuance pursuant to the Stock Option Plan. The number of common shares reserved for issuance to any one person may not exceed five percent (5%) and for consultants shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by the Exchange. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

A summary of the stock option plan and changes during the years then ended is as follows:

	December 31, 2020		December 31, 2019	
	# of Stock Options	Weighted Average Price	# of Stock Options	Weighted Average Price
Balance, beginning of year ⁽¹⁾	400,000	\$ 0.30	400,000	\$ 0.10
Granted	1,283,333	\$ 0.21	-	\$ -
Expired	-	\$ -	-	\$ -
Exercised	-	\$ -	-	\$ -
Balance end of year	1,683,333	\$ 0.23	400,000	\$ 0.10

(1) As a result of the 3:1 consolidation

A summary of the stock options outstanding is as follows:

As at December 31, 2020					
Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date	
400,000	\$0.30	7.5	400,000	July 11, 2028	
1,283,333	\$0.21	4.8	427,778	October 2, 2025	
1,683,333	\$0.23	5.4	827,778		

On October 2, 2020 the Corporation issued 1,283,333 stock options, at an exercise price of \$0.21 to directors of the Corporation, which vest equally as to one-third each year commencing on the date of grant. The stock options expire on October 2, 2025 and had a fair value of \$661,534 on the date of issuance. Stock based compensation expense recognized during the year was \$294,015 (2019 – nil).

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7. Share capital (continued)

The fair value of stock options issued was estimated at the date of grant using the Black-Scholes option pricing model using the following assumptions:

	October 2, 2020
Dividend yield	0%
Expected volatility	119%
Risk-free interest rate	0.56%
Forfeiture rate	0%
Share price - issuance	\$ 0.21
Term	12 months
Fair value per option	\$ 0.1718

f) Loss per share

The basic and diluted loss per share as calculated is based on the weighted average number of shares outstanding during the year as follows:

	Year ended December 31,	
	2020	2019
Weighted average number of common shares		
Issued and outstanding at beginning of the year	666,667	666,667
Effect of share issuance and 3:1 consolidation	6,696,348	-
Weighted average number of common shares – basic and diluted	7,363,015	666,667

g) Escrowed Shares

- Included in the opening balance of issued and outstanding shares are 10,000,000 (3,333,333 post consolidation) shares held in escrow. During the year ended December 31, 2020 these shares were transferred from the CPC Escrow Agreement to a voluntary escrow agreement in connection to the Qualifying Transaction (the "Voluntary Escrow Shares"). 5% of the Voluntary Escrow Shares were released on the issuance of the Final Exchange Bulletin and the remaining shares will be released in increments of 5%, 10%, 10%, 15%, 15% and 40% on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.
- Also in connection to the Qualifying Transaction and pursuant to a Surplus Security Escrow Agreement, an additional 63,163,637 (21,054,546 post consolidation) shares were placed escrow to be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. 10% of these common shares held in escrow were released on the issuance of the Final Exchange Bulletin. The remaining shares will be released in increments of 5%, 10%, 10%, 15%, 15% and 40% on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

As at December 31, 2020 there are 23,168,485 shares in escrow. The escrowed shares were excluded from the weighted average calculation in the comparative period and included in the calculation after the Qualifying Transaction in October, 2021.

8. General and administrative expenses

For the years ended December 31,	2020	2019
Professional fees	\$ 193,704	\$ 17,128
Regulatory fees	76,132	40,205
Office expenses	45,545	-
	\$ 315,381	\$ 57,333

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9. Related party transactions

- a) During the years ended December 31, 2020 and 2019, the Corporation incurred expenses with related parties and included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

Year ended December 31,	2020	2019
Administrative and accounting services provided by an officer	\$ 2,100	\$ -
Legal fees paid to a firm whose partner is a director	\$ 117,421	\$ 7,830

The above transactions were in the normal course of operations and initially recorded at fair value.

- b) The related party amounts included in the Consolidated Statements of Financial Position, are as follows:

As at December 31,	2020	2019
Due to officers for administrative and accounting services (included in trade and other payables)	\$ 2,100	\$ -
Consulting services provided by an officer in Chile (included in Mineral Properties)	35,993	-
Due to an officer in Chile for consulting services (included in trade and other payables)	35,993	-
Due to a law firm whose partner is a director	2,136	7,830
Due to a director in Canada	\$ 6,000	\$ -

10. Key management

Key Management consists of officers and directors of the Corporation.

	2020	2019
Salaries other benefits	\$ 38,093	\$ -
Share-based compensation	294,015	-
	\$ 347,458	\$ -

11. Taxes

The provision for income taxes differs from the amount obtained by applying the combined Canadian federal and provincial income tax rate to the loss for the year. The differences relate to the following items:

	Year ended December 31, 2020	Year ended December 31, 2019
Loss before income taxes	\$ (634,971)	\$ (57,333)
Corporate income tax rate	26.5%	26.5%
Anticipated tax recovery	(168,267)	(15,193)
Tax rate differential	(6,569)	-
Share-based compensation	77,914	-
Share issue costs	(4,522)	-
Tax assets not recognized	101,444	15,193
Income tax provision	\$ -	\$ -

Details of the unrecognized deductible temporary differences are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Share issuance costs	\$ 37,000	\$ 35,500
Non-capital losses - Canada	503,000	152,000
	\$ 540,000	\$ 187,500

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Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

11. Taxes (continued)

As at December 31, 2020, the Corporation has the following amounts available to be deducted against future taxable income:

	Amount	Expiry Date
Non-capital losses	\$	2031 – 2039
Share issue costs		20% per annum – 2022

12. Management of Capital

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Corporation's objective when managing capital is to safeguard the Corporation's ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.

13. Financial instruments

The Corporation, as part of its operations, carries financial instruments consisting of cash, other receivable and trade and other payables. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

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.

The carrying amount of cash, other receivable and trade and other payable approximates its fair value due to the short-term maturities of these items.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's primary source of credit risk is its cash balance. The Corporation believes it has no significant credit risk associated with cash as it is held with a major Canadian financial institution.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Corporation had a cash balance of \$463,110 (2019 - \$537,346) to settle liabilities of \$104,543 (2019 - \$15,807).

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Notes to the Consolidated Financial Statements For the Years ended December 31, 2020 and 2019

13. Financial instruments (continued)

Market Risk

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

i. Interest rate risk

The Corporation has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Corporation is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate and in the U.S./Chilean Peso exchange rate for services and geological costs that are denominated in Chilean Peso and converted to U.S. dollars or directly influenced by U.S. dollar (USD) benchmark prices. A hypothetical change of 10% to the foreign exchange rate between Canadian/U.S. and US/Chilean Peso would not have a material impact of the Corporation's loss during the year.

iii. Commodity risk

The Corporation is not currently exposed to commodity price risk.

14. Segmented Information

The Corporation reports its financial results as one reportable segment as this is how the financial information is reviewed by the chief decision makers of the Corporation.

The following table provides information regarding the location of the Company's non-current assets on a geographic basis.

	2020		2019	
Canada	\$	-	\$	-
Chile		3,753,795		-
	\$	3,753,795	\$	-

15. Subsequent Events

Subsequent to the year ending December 31, 2020, the Corporation entered into a purchase option agreement whereby it may acquire an undivided 100% interest in a mineral property referred to as "Inca".

The purchase agreement (the "Agreement") relates to 17 claim packages consisting of 2,941 hectares for a total purchase price of US \$6,150,000. The purchase price is payable in four equal payments of US \$100,000 with the first payable on signing of the Agreement and three additional payments every six months thereafter. Thereafter, three equal payments of US \$150,000 are payable every six months with a balloon payment of \$5,300,000 due on the 48th month following signing of the Agreement. The Corporation will not earn an interest in the Inca Property until the full purchase price of US \$6,150,000 has been paid. The Corporation may stop making payments towards the purchase price at any time whereafter the Corporation is not obligated to make any additional payments towards the purchase price thereafter.

In connection with acquisition, the Corporation intends to complete a non-brokered private placement of up to 6,000,000 units of the Corporation ("Units") at a price of \$0.20 per Unit for gross proceeds of up to \$1,200,000 ("Private Placement"). There is no minimum offering. Each Unit will be comprised of one common share of the Corporation ("Common Share") together with one share purchase warrant ("Warrant"). Each Warrant will entitle the holder to acquire one additional Common Share for a period of two years at a price of \$0.35 per Common Share.