



QC Copper and Gold Inc.
(formerly PowerOre Inc.)

Condensed Restated Interim Consolidated Financial Statements
Unaudited
See Notice to Reader

For the Six Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars unless otherwise indicated)

NOTICE TO READER

This notice accompanies QC Copper and Gold Inc.'s Condensed Interim Consolidated Financial Statements for the three and six months ended April 20, 2021 filed via SEDAR. A change was made related to the equity loss and gain on dilution for the investment in associate. (See Note 17)

Management's responsibility for financial reporting

The accompanying condensed restated interim consolidated financial statements of QC Copper and Gold Inc. (formerly PowerOre Inc.) (the "Company" or "QC Copper") were prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed restated interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 of the condensed restated interim consolidated financial statements.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the condensed restated interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed restated interim consolidated financial statements and (ii) the condensed restated interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of April 30, 2021 and for the periods presented by the condensed restated interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the condensed restated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed restated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed restated interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Management's assessment of internal control over financial reporting ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

("signed")
(Stephen Stewart)
CEO

("signed")
(Jeffrey Potwarka)
CFO

NOTICE OF NO AUDITOR REVIEW OF CONDENSED RESTATED INTERIM CONSOLIDATED 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 restated interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed restated interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed restated interim consolidated 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 condensed restated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants for a review of condensed restated interim consolidated financial statements by an entity's auditor.

QC Copper and Gold Inc. (formerly PowerOre Inc.)
Condensed Restated Interim Consolidated Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)
As at

	Notes	April 30, 2021	October 31, 2020
ASSETS		<i>(unaudited)</i> <i>(Note 17)</i>	
Current			
Cash		\$ 6,071,411	\$ 1,743,473
GST/HST/QST receivable		352,525	25,506
Amounts receivable	6	-	67,562
Due from related party	13	28,132	7,420
Prepaid expenses		3,621	3,621
Total current assets		6,455,689	1,847,582
Investment in associate	7	4,014,915	3,355,256
Equipment	5	55,057	16,172
TOTAL ASSETS		\$ 10,525,661	\$ 5,219,010
LIABILITIES			
Current			
Accounts payable and accrued liabilities	13	\$ 1,541,509	\$ 68,642
Flow-through share liability	10,11,15	113,270	311,403
Total current liabilities		1,654,779	380,045
Deferred income taxes	14	58,000	58,000
TOTAL LIABILITIES		1,712,779	438,045
SHAREHOLDERS' EQUITY			
Share capital	11	\$ 8,886,285	\$ 3,584,811
Share-based payment reserve	11	1,807,557	1,123,760
Retained earnings (Deficit)		(1,880,960)	72,394
TOTAL SHAREHOLDERS' EQUITY		8,812,882	4,780,965
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 10,525,661	\$ 5,219,010

Nature of operations and going concern (Notes 1 and 2)
Commitments and contingencies (Notes 6 and 15)
Events subsequent to period end (Note 16)

Approved on behalf of the Directors:
"Alex Stewart"

Alex Stewart – Director

"Stephen Stewart"

Stephen Stewart – Director

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

QC Copper and Gold Inc. (formerly PowerOre Inc.)**Condensed Restated Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

(Unaudited)

(Expressed in Canadian dollars)

<i>(unaudited)</i>	Notes	Six months ended April 30,		Three months ended April 30,	
		2021	2020	2021	2020
		<i>(Note 17)</i>		<i>(Note 17)</i>	
Expenses					
Amortization	5	\$ 5,122	\$ -	\$ 2,803	\$ -
Share-based payments	11	79,176	-	79,176	-
Consulting and management fees	13	131,051	136,051	60,293	63,154
Exploration expense	6,13,15	2,663,787	243,384	2,408,586	21,214
Office, rent and general	13	11,860	20,911	5,980	8,770
Professional fees		26,842	13,645	19,885	5,063
Transfer agent, filing fees and shareholder Communications		159,101	22,204	34,325	12,294
Travel and related costs		906	13,089	226	700
Equity loss on investment in associate	7	403,603	-	273,642	-
Gain on dilution of investment in associate	7	(1,063,262)	-	(86,825)	-
Total expenses		2,418,186	449,284	2,798,091	111,195
(Loss) from operations for the period		(2,418,186)	(449,284)	(2,798,091)	(111,195)
Deferred income tax recovery					
Flow-through share premium renunciation	10,14,15	464,832	11,564	419,032	3,536
Net (loss) and comprehensive (loss) for the period		\$ (1,953,354)	\$ (437,720)	\$ (2,379,059)	\$ (107,659)
Weighted average number of shares – basic and diluted					
		101,802,457	49,069,046	101,802,457	49,069,046
(Loss) per share – basic and diluted		\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.00)

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

QC Copper and Gold Inc. (formerly PowerOre Inc.)

Condensed Restated Interim Consolidated Statements of Changes in Equity (Unaudited)

(Expressed in Canadian dollars)

	Share capital		Share-based	Retained Earnings	Total Equity
	Number of Shares	Amount	Payment Reserve	(Deficit)	
Balance at October 31, 2019	39,383,684	\$ 1,964,509	\$ 630,881	\$(2,252,195)	\$ 343,195
Loss for the period	-	-	-	(437,720)	(437,720)
Shares issued for exploration and evaluation expenses	1,500,000	90,000	-	-	90,000
Warrants issued for exploration and evaluation expenses	-	-	34,000	-	34,000
Shares issued on flow-through private placement	8,693,565	608,550	-	-	608,550
Value of warrants	-	(62,000)	62,000	-	-
Premium allocated to flow-through shares	-	(173,871)	-	-	(173,871)
Shares issued on private placement	3,700,000	185,000	-	-	185,000
Value of warrants	-	(31,000)	31,000	-	-
Finders' warrants issued	-	-	13,000	-	13,000
Share issuance costs	-	(62,439)	-	-	(62,439)
Warrants exercised during the period	169,203	9,930	(6,300)	-	3,630
Balance at April 30, 2020 (unaudited)	53,446,452	\$ 2,528,679	\$ 764,581	\$ (2,689,915)	\$ 603,345
Income for the period	-	-	-	2,762,309	2,762,309
Shares issued for exploration and evaluation expenses	950,000	68,750	-	-	68,750
Warrants issued for exploration and evaluation expenses	-	-	15,000	-	15,000
Shares issued on flow-through private placement	9,470,048	766,590	-	-	766,590
Value of warrants	-	(106,915)	106,915	-	-
Premium allocated to flow-through shares	-	(92,724)	-	-	(92,724)
Shares issued on hard-dollar private placement	6,912,134	518,410	-	-	518,410
Value of warrants	-	(82,000)	82,000	-	-
Finders' warrants issued	-	-	13,898	-	13,898
Share issuance costs	-	(51,979)	-	-	(51,979)
Share-based payments	-	-	141,366	-	141,366
Deferred income taxes	-	36,000	-	-	36,000
Balance at October 31, 2020	70,778,634	3,584,811	1,123,760	72,394	4,780,965
Loss for the period	-	-	-	(1,953,354)	(1,953,354)
Shares issued on flow-through private placement	8,890,001	1,600,200	-	-	1,600,200
Value of warrants	-	(221,000)	221,000	-	-
Premium allocated to flow-through shares	-	(266,700)	-	-	(266,700)
Shares issued on hard-dollar private placement	22,667,066	3,400,060	-	-	3,400,060
Value of warrants	-	(588,000)	588,000	-	-
Finders' units issued	1,837,266	227,590	48,000	-	275,590
Share issuance costs	-	(275,590)	-	-	(275,590)
Share-based payments	-	-	79,176	-	79,176
Stock options exercised	650,000	83,662	(32,662)	-	51,000
Warrants exercised	8,842,735	1,341,252	(219,717)	-	1,121,535
Balance at April 30, 2021 (unaudited)	113,665,702	\$ 8,886,285	\$ 1,807,557	\$ (1,880,960)	\$ 8,812,882

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

QC Gold and Copper Inc. (formerly PowerOre Inc.)
Condensed Restated Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)

	Six months ended April 30,		Three months ended April 30,	
(unaudited)	2021 (Note 17)	2020	2021 (Note 17)	2020
Cash provided by (used in):				
Operating activities				
Loss for the period	\$ (1,953,354)	\$ (437,720)	\$ (2,379,059)	\$ (107,659)
Items not involving cash				
Flow-through share premium renunciation	(464,832)	(11,564)	(419,032)	(3,536)
Share-based payments	79,176	-	79,176	-
Amortization	5,122	-	2,803	-
Shares and warrants issued for exploration expenses	-	124,000	-	-
Equity loss on investment in associate	403,604	-	273,642	-
Gain on dilution of investment in associate	(1,063,263)	-	(86,825)	-
Changes in non-cash working capital items				
Amounts receivable	67,562	-	-	-
GST/HST/QST receivable	(327,019)	79,916	(285,552)	9,755
Prepaid expenses	-	(1,503)	-	(1,503)
Accounts payable and accrued liabilities	1,472,867	(45,366)	1,350,781	(8,745)
Net cash (used in) operating activities	(1,780,137)	(292,237)	(1,464,066)	(111,688)
Financing activities				
Issue of common shares and warrants	5,000,260	793,550	-	-
Exercise of warrants	1,121,534	3,630	699,442	-
Exercise of stock options	51,000	-	51,000	-
Share issue costs	-	(49,439)	-	(2,373)
Advances from related parties	-	4,708	-	4,708
Net cash provided by financing activities	6,172,794	752,449	750,442	2,335
Investing activities				
Purchase of equipment	(44,007)	-	(14,500)	-
Advances to related parties	(20,712)	(31,696)	(2,484)	(28,225)
Net cash (used in) investing activities	(64,719)	(31,696)	(16,984)	(28,225)
Net increase (decrease) in cash	4,327,938	428,516	(730,608)	(137,578)
Cash, Beginning of Period	1,743,473	346,851	6,802,019	912,945
Cash, End of Period	\$ 6,071,411	\$ 775,367	\$ 6,071,411	\$ 775,367
Supplemental information:				
Finders' units and warrants issued	\$ 275,590	\$ 13,000	\$ -	\$ -

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

QC Copper and Gold Inc. (formerly PowerOre Inc.)

Notes to the Condensed Restated Interim Consolidated Financial Statements - Unaudited

For the six months ended April 30, 2021 and 2020

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

QC Copper and Gold Inc. (formerly PowerOre Inc.) (“QC Copper” or “Company”), was incorporated under the Business Corporations Act (British Columbia) on February 1, 2018, originally as a wholly-owned subsidiary of Orefinders Resources Inc. (“Orefinders”). Its principal business activity is the exploration, development and production of exploration and evaluation assets in Canada.

The head and principal office of the Company is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7.

On February 25, 2020, the Company entered into an agreement to sell its Mann Mine to Rider Investment Capital Corporation (“Rider”), a Capital Pool Company listed on the TSX Venture Exchange. In exchange for the Company’s 100% interest in the Mann Mine, the Company received 17,857,143 shares of Rider at an implied valuation of \$1,499,029. The sale was an arm’s length transaction and a part of and conditional upon Rider’s Qualifying Transaction for Rider’s full listing on the TSX Venture Exchange. On June 3, 2020, the Company closed the transaction with Rider and, as part of the closing, Rider changed its name to Baselode Energy Corp. (“Baselode”). Concurrently, on June 3, 2020, Baselode closed a \$700,000 private placement financing. After the financing, the Company held approximately 62% of the Baselode common shares. Baselode commenced trading on June 10, 2020 on the TSX Venture Exchange under the symbol “FIND”.

On September 28, 2020, PowerOre Inc. completed its name change to QC Copper and Gold Inc.

2. GOING CONCERN

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts expended on mineral properties is dependent upon future profitable production or proceeds from the disposition of properties.

The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements and/or securing additional financing; all of which are uncertain.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company raised funds during the period ended April 30, 2021 and will utilize these funds for its exploration programs and working capital requirements. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations. Management is also closely evaluating the impact of COVID-19 on the Company’s business. In order for the Company to continue as a going concern and fund its operations, the Company will require additional financing. The availability of financing will be affected by, among other things, the state of the capital markets considering the impact of COVID-19 and strategic partnership arrangements.

As at April 30, 2021, the Company had working capital of \$4,800,910 (October 31, 2020 - \$1,467,537) and accumulated deficit of \$1,880,960 (October 31, 2020 – retained earnings \$72,394). The Company has no proven history of performance or success.

QC Copper and Gold Inc. (formerly PowerOre Inc.)

Notes to the Condensed Restated Interim Consolidated Financial Statements - Unaudited

For the six months ended April 30, 2021 and 2020

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve-month period. However, management plans on securing additional financing through the issue of new equity, among other things (see Note 16). Nevertheless, there is no assurance that these initiatives will be successful. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements. Such adjustments could be material.

The financial statements were authorized for issue on June 29, 2021 by the directors of the Company.

Statement of compliance

The condensed restated interim consolidated financial statements for the six months ended April 30, 2021 were prepared in accordance with IAS 34 International Accounting Standard – “Interim Financial Reporting” (IAS 34) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) have been condensed or omitted. The significant judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Corporation’s audited annual financial statements for the year ended October 31, 2020, except as disclosed under changes to significant accounting policies, and should be read in conjunction with those financial statements. Actual results may differ from estimated results due to differences between estimated or anticipated events and actual events and results.

Basis of presentation

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, except for certain financial instruments which are measured at fair value, as explained in the accounting policies.

Functional and presentation currency

The functional currency of the Company is determined using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company’s functional and presentation currency. The Company does not have any significant expenditures in foreign currencies.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its 62% owned subsidiary Baselode from June 3, 2020 to October 7, 2020 at which time there was a loss in control as a result of a Baselode financing that the Company did not participate in.

Control is achieved when the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated through the consolidation process. The non-controlling interest has been recorded at cost (Note 12).

The accounts of Baselode are prepared for the same reporting period as the parent company, using consistent accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Investment in associates

Associates are entities over which the Company has significant influence, but not control. Significant influence is generally presumed to exist where the Company has between 20 percent and 50 percent of the voting rights, but can also arise where the Company holds less than 20 percent of the voting rights, but it has power to be actively involved and influential in policy decisions affecting the entity. The Company accounts for its investment in associates using the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's shares of profit or loss of the associate.

Dilution gains and losses arising from changes in interests in investments in associates where significant influence is retained are recognized in the consolidated statements of loss. At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired or if previously recorded impairment should be reversed. If impairment is determined to exist, the amount of the impairment is recognized in the consolidated statement of loss. The amount of impairment is calculated as the difference between the recoverable amount of the investment in the associate and its carrying value.

Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make estimates and 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. Actual outcomes could differ from these estimates. These financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Such estimates and assumptions affect the carrying value of assets, the determination of impairment charges of non-current assets, and affect estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of share-based payments, warrants and income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

(a) Estimation of decommissioning and restoration costs and timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals.

(b) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

QC Copper and Gold Inc. (formerly PowerOre Inc.)

Notes to the Condensed Restated Interim Consolidated Financial Statements - Unaudited

For the six months ended April 30, 2021 and 2020

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

(c) Share-based payments and warrants

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Warrants are valued in a similar way. Changes in these assumptions affect the fair value estimates.

(d) Investment in associate

Investments in associates are accounted for using the equity method, whereby the investment is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of the net assets of the investment. The Company's share of the results of operations of an associate is reflection in the profit and loss. An associate is an entity in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not represent control or joint control over those decisions. The management reviews the relevant factors and made considerations in determining whether significant influence exists in associates. Significant judgment is involved in the determination of significant influence.

(e) Impairment of investment in associate

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

(f) Contingencies

Refer to Note 15

Exploration and evaluation expenditures

Mineral property acquisition costs are expensed as incurred. Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All exploration expenditures are expensed as incurred.

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures incurred subsequent to this date related to development and construction are capitalized as construction-in-process and classified as a component of property, plant and equipment.

Government tax credits are recorded as a reduction to exploration expense.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Mining properties and process facility assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of mine.

Government grants

The Company is eligible for a refundable tax credit related to resources for mining industry companies in relation to eligible expenses incurred in the province of Quebec. The refundable tax credit is recorded as a government grant under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Credits related to resources are recognized in the statement of income (loss) at their estimated fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the credits.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of

QC Copper and Gold Inc. (formerly PowerOre Inc.)

Notes to the Condensed Restated Interim Consolidated Financial Statements - Unaudited

For the six months ended April 30, 2021 and 2020

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss.

Share-based payments

The Company has adopted an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments issued at the grant date. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates market and vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The share-based payment reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount remains in share-based payment reserve.

Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted earnings (loss) per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted earnings (loss) per share calculation. Diluted earnings (loss) per share does not adjust the earnings (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All of the Company's outstanding stock options and warrants were anti-dilutive for the period ended April 30, 2021 and April 30, 2020.

Financial instruments**Financial assets*****Initial recognition and measurement***

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – Financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the consolidated statements of income (loss).

Subsequent measurement - Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company has no assets classified as financial assets at FVPL.

Subsequent measurement - Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial asset subject to impairment is the amount due from related parties, which is measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement - financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of income (loss).

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3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of income (loss).

Financial instruments fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Amortization is provided at rates calculated to write off the equipment, less their estimated residual value, using the declining balance method over their expected useful lives, at the following annual rates.

Class	Amortization rate
Mining Equipment	20%
Automotive Equipment	30%

Income tax

Income tax expense is comprised of both current and deferred income taxes. Income tax expense is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through share issuances

The Company finances a portion of its exploration activities through the issue of flow-through shares issued pursuant to the Canadian Income Tax Act ("Tax Act"). Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian exploration and development expenses as defined in the Tax Act.

Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying expenditures to flow-through investors. On issuance, the Company allocates a portion of the subscription

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3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

proceeds as a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a flow-through share liability. As expenditures are incurred and applied against the Company's associated flow-through commitment, the premium liability is reduced proportionately, charged as a deferred income tax recovery in operations.

Asset retirement obligations ("ARO")

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in loss. The Company does not currently have any such significant legal or constructive obligations and therefore, no rehabilitation provision has been recorded as at April 30, 2021 or October 31, 2020.

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Effective November 1, 2019, the Company adopted IFRS 16, Leases, issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single accounting model, requiring the recognition of assets and liabilities for all major leases previously classified as operating leases. IFRS 16 supersedes the lease accounting guidance in IAS 17, Leases as well as some lease related interpretations. The adoption of this IFRS had no effect on the financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impact of the below of the below pronouncements on its financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on January 1, 2020.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition, it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or

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4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (cont'd)

lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual periods beginning on January 1, 2020.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

5. EQUIPMENT

	Automotive equipment	Mining equipment	Total
Cost			
Balance, October 31, 2019	\$ -	\$ -	\$ -
Additions	19,026	-	19,026
Balance, October 31, 2020	19,026	-	19,026
Additions	29,507	14,500	44,007
Balance, April 30, 2021	48,533	14,500	63,033
Accumulated amortization			
Balance, October 31, 2019	\$ -	\$ -	\$ -
Amortization	2,854	-	2,854
Balance, October 31, 2020	2,854	-	2,854
Amortization	4,639	483	5,122
Balance, April 30, 2021	7,493	483	7,976
Net book value, October 31, 2020	\$ 16,172	\$ -	\$ 16,172
Net book value, April 30, 2021	\$ 41,040	\$ 14,017	\$ 55,057

6. EXPLORATION AND EVALUATION EXPENDITURES

The following are details of the Company's exploration and evaluation expenditures:

	2021	2020	Cumulative Since Property Inception
Mann/MacMurchy Property, Ontario (Note 12)	\$ -	\$ -	\$ 543,548
Cooke-Robitaille Property, Quebec	292,073	-	354,073
Scott Property, Quebec	28,944	-	28,944
Opemiska Property, Quebec	2,342,770	243,384	3,135,733
Shadow and Hook Property, Saskatchewan	-	-	278,876
	\$ 2,663,787	\$ 243,384	\$ 4,341,174

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6. EXPLORATION AND EVALUATION EXPENDITURES (cont'd)**Mann/MacMurchy Property, Ontario**

The Company has 100% ownership of the Mann Silver-Cobalt Mine and the MacMurchy nickel property, both of which are in the Shining Tree district of Ontario. The Mann Property consists of 18 contiguous mining claims and the MacMurchy Property consists of 1 mining claim. These properties are subject to various NSR ranging from 2% to 4% with rights to buyback of 1% of the NSR for \$1,000,000. The properties were acquired as part of a plan of arrangement and were valued at \$440,000 using a fair market value of \$0.04 per common share that was assigned to the 11,000,000 common shares issued as consideration. The value of the \$0.04 was based on the value attributed to the common shares. The acquisition costs also include the fair value of the Company warrants that were issued under the plan of arrangement in the amount of \$15,000 which was estimated using the Black-Scholes option pricing model.

On June 3, 2020, the Company closed its sale of its 100% interest in the Mann Mine and as consideration received 17,857,143 shares of Baselode at an estimated valuation of \$1,499,029. See Notes 7 and 12.

Opemiska Property, Quebec

On December 12, 2018, the Company entered into an agreement to acquire a 100% interest in the Opemiska Copper Mine Complex from Explorateurs-Innovateurs de Quebec Inc. ("Ex-In"), a privately-owned company. It is located adjacent to the town of Chapais, Quebec within the Chibougamau region and consists of 11 mining claims. On July 23, 2020, the Company acquired the Scott property, which is adjacent to Opemiska, by issuing 450,000 common shares at a valuation of \$33,750.

To acquire a 100% interest in the Opemiska Copper Complex, the Company and Ex-In entered into a definitive agreement with the effective date being May 23, 2019. Its terms are as follows*: By November 23, 2019, the Company will issue 1.5 million shares, 1.5 million warrants (\$0.20 exercise price) and pay \$50,000 to Ex-In (paid and issued November 22, 2019); By November 23, 2020, the Company will incur \$500,000 in work expenditures on Opemiska, issue 1.5 million shares and 1.5 million warrants (\$0.25 exercise price) and pay \$150,000 to Ex-In (paid and issued May 23, 2021); By November 23, 2021, the Company will incur an additional \$1,000,000 in work expenditures on Opemiska, issue 2 million shares and 2 million warrants (\$0.30 exercise price) and pay \$300,000 to Ex-In; By November 23, 2022, the Company will incur an additional \$1,500,000 in work expenditures on Opemiska, issue 3 million shares and 3 million warrants (\$0.35 exercise price) and pay \$1,000,000 to Ex-In. The Opemiska Copper Complex is subject to a 2% NSR, 50% of which can be repurchased by the Company at a cost of \$4.5 million. At any time, the Company can accelerate its obligations to exercise 100% ownership of Opemiska Copper Complex at an earlier date. Subject to certain adjustments in the case of accelerated issuance, all warrants to be issued to Ex-In will expire 36 months after their date of issuance. If the Company files a positive feasibility study, it will be required to pay advance royalty payments of \$250,000 per year. All securities to be issued to Ex-In will be subject to a four-month hold period in accordance with applicable laws.

*On May 6, 2020, the Company received a 6-month deferral on all of its remaining milestone obligations outlined in the Opemiska Copper Complex as detailed above.

Cooke Robitaille Property Option, Quebec

On July 13, 2020, the Company closed an option agreement to acquire the Cooke Robitaille property. The cash, work and share commitments to keep the option in good standing are as follows:

	Cash Payment (C\$)	Work (C\$)	Shares	Warrants	Warrant Exercise Price (C\$/share)
Upon Approval	-	-	500,000	500,000	\$0.10
12 months	\$50,000	\$300,000	500,000	500,000	\$0.15
24 months	\$50,000	\$400,000	500,000	500,000	\$0.20
36 months	\$50,000	\$400,000	500,000	500,000	\$0.25
48 months	\$100,000	\$400,000	500,000	-	-
60 months	\$200,000	\$1,500,000	500,000	-	-
Total	\$450,000	\$3,000,000	3,000,000	2,000,000	

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6. EXPLORATION AND EVALUATION EXPENDITURES (cont'd)

On the July 13, 2020 closing date, the Company issued 500,000 common shares at a valuation of \$35,000 and 500,000 warrants at a valuation of \$15,000. In addition, the vendor will retain a 2% NSR royalty. The Company will retain a first right of refusal to purchase a 1% NSR (50% of the vendor's NSR) at any time prior to commercial production for \$1,500,000. In response to the COVID lockdowns, the obligations arising from the option agreement have been extended to the end of 2021.

Shadow and Hook Properties, Saskatchewan

On June 11, 2020, Baselode acquired 100% ownership of the Shadow uranium property in the Athabasca Basin area of northern Saskatchewan. The property was acquired at the original staking cost of \$25,100 and is free of any option agreement or underlying royalties.

On July 7, 2020, Baselode acquired 100% ownership of the Hook uranium property in the Athabasca Basin area of northern Saskatchewan. The property was acquired at the original staking cost of \$17,962 and is free of any option agreement or underlying royalties.

7. INVESTMENT IN ASSOCIATE

As at October 6, 2020, the Company lost control of Baselode as a result of a private placement in Baselode that the Company did not participate in. As a result of the lost control, during the year ended October 31, 2020, the Company recorded a gain on loss of control of subsidiary in the amount of \$3,868,250. At April 30 2021, the Company held 17,857,143 shares (approximately 34% interest) (October 31, 2020 – 17,857,143 shares – 44% interest) in Baselode and is accounting for this investment using the equity method.

Summarized financial statements for Baselode as at and for the period ended April 30, 2021 are as follows:

Current assets	\$5,728,972
Non-current assets	117,860
Total assets	5,846,832
Total liabilities	830,055
Total net loss and comprehensive loss	(1,686,866)

The continuity of the carrying value for the investment in Baselode is set out below:

	April 30, 2021	October 31, 2020
Balance – beginning of period	\$ 3,355,256	\$ -
Fair value of investment in Baselode upon loss of control	-	3,308,843
Less: Equity loss from Baselode	(403,603)	(32,587)
Add: Gain on dilution from Baselode	1,063,262	79,000
Balance – end of period	\$ 4,014,915	\$ 3,355,256

Based on the quoted market price at April 30, 2021, the fair value of the Company's interest in Baselode was \$8,303,571 (October 31, 2020 - \$5,803,571).

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to shareholders and benefits to other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

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8. CAPITAL MANAGEMENT (cont'd)

There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended April 30, 2021 and 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at April 30, 2021, the Company is compliant with the policies of the TSXV.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair value of financial instruments

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. At April 30, 2021 and 2020, the Company has no financial instruments to classify in the fair value hierarchy.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Amounts receivable are due from the Government of Canada and the Company believes the risk of loss related to these is remote. The Company's exposure to credit risk is on its cash held in bank accounts. Cash is held with major banks in Canada. Management assesses credit risk of cash as remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

Currency and interest rate risk

The Company is not exposed to any significant foreign exchange risk or interest rate risk.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	April 30, 2021	October 31, 2020
Financial assets at amortized costs:		
Cash	\$ 6,071,411	\$ 1,743,473
GST/HST/QST receivable	352,525	25,506
Amounts receivable	-	67,562
Due from related parties	28,132	7,420
	<u>\$ 6,452,168</u>	<u>\$ 1,843,961</u>

Financial liabilities included in the statement of financial position are as follows:

	April 30, 2021	October 31, 2020
Financial liabilities at amortized costs:		
Accounts payable and accrued liabilities	\$ 1,541,509	\$ 68,642
	<u>\$ 1,541,509</u>	<u>\$ 68,642</u>

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10. FLOW-THROUGH SHARE LIABILITY

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. As expenditures are incurred, the flow-through share liability is reversed. During the six months ended April 30, 2021, the Company recognized a flow-through share premium renunciation of \$464,832 (2020 - \$11,564). At April 30, 2021, the flow-through share liability was \$113,270 (October 31, 2020 - \$311,403).

11. SHARE CAPITAL***Authorized share capital***

Unlimited number of voting common shares without par value.

Issued share capital

(a) On November 22, 2019, the Company issued 1,500,000 common shares to Ex-In in connection with the Opemiska Property (Note 6). A value of \$90,000 was determined based on a \$0.06 market price for the common shares of the Company on that day. In addition, 1,500,000 warrants with an exercise price of \$0.20 until November 22, 2022 were issued to Ex-In. The value of the warrants was estimated at \$34,000 using the Black-Scholes option pricing model. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.06, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 1.56% and an expected life of 3 years.

(b) On December 23, 2019, the Company completed a non-brokered flow-through private placement of 8,693,565 units at a price of \$0.07 per unit, to raise proceeds of \$608,550. Each unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at \$0.10 per share, until December 23, 2021. The valuation of the warrants was estimated in the amount of \$58,030 using the Black-Scholes option pricing model. In addition, the Company received subscriptions for a non-brokered hard dollar private placement of 700,000 units at a price of \$0.05 per unit, to raise proceeds of \$35,000. The valuation of the warrants was estimated in the amount of \$6,000 using the Black-Scholes option pricing model. Each unit consists of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share, at \$0.07 per share, until December 23, 2021. Total aggregate private placement proceeds were \$643,550. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.04, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 1.68% and an expected life of 2 years. In connection with the private placements, the Company incurred cash finders' fees of \$43,438 and also issued 393,550 finders' warrants to acquire shares at \$0.06 per share until December 23, 2021 and 100,000 finders' warrants to acquire shares at \$0.07 per share until December 23, 2021. The fair value of the finders' warrants was estimated at \$13,000 using the Black-Scholes option pricing model. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.04, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 1.68% and an expected life of 2 years.

(c) On January 24, 2020, the Company completed a non-brokered hard-dollar private placement of 3,000,000 units at a price of \$0.05 per unit, to raise proceeds of \$150,000. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at \$0.07 per share, until January 24, 2022. The valuation of the warrants was estimated in the amount of \$25,000 using the Black-Scholes option pricing model. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.04, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 1.49% and an expected life of 2 years. In connection with the private placements, the Company incurred financing costs of \$6,000.

(d) On May 20 2020, the Company completed a non-brokered flow-through private placement of 4,285,715 units at a price of \$0.07 per unit, to raise proceeds of \$300,000. Each unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at \$0.10 per share, until May 20, 2022. The valuation of the warrants was estimated in the amount of \$39,000 using the Black-Scholes option pricing model. In connection with the private placements, the Company incurred financing costs of

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11. SHARE CAPITAL (cont'd)

\$9,500 and issued 100,000 finder's warrants with an estimated value of \$2,393 using the Black-Scholes option pricing model. Each finder's warrant entitles the holder, to purchase one common share at a price of \$0.07 until May 20, 2022. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.06, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 0.30% and an expected life of 2 years.

(e) On the July 13, 2020 closing date, the Company issued 500,000 common shares as an option payment on Cooke-Robitaille property at a valuation of \$35,000 based on the quoted market price of the Company's shares acquired at the transaction date. In addition, the Company issued 500,000 warrants with an exercise price of \$0.10 expiring July 13, 2022. The value of the warrants was estimated at \$15,000 using the Black-Scholes option pricing model. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.07, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 0.28% and an expected life of 2 years.

(f) On July 23, 2020, the Company acquired the Scott property by issuing 450,000 common shares at a valuation of \$33,750 based on the quoted market price of the Company's shares acquired at the transaction date.

(g) On August 21, 2020, the Company closed a non-brokered private placement as announced for aggregate proceeds of \$985,000. It consisted of 5,184,333 flow-through units at a price of \$0.09 per unit for gross proceeds of \$466,590, where each flow-through unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.14 until August 21, 2022. The valuation of the warrants was estimated in the amount of \$61,000 using the Black-Scholes option pricing model. In addition, 6,912,134 hard-dollar units at a price of \$0.075 per unit for gross proceeds of \$518,410, where each hard-dollar unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.14 until August 21, 2022. The valuation of the warrants was estimated in the amount of \$82,000 using the Black-Scholes option pricing model. In connection with the private placements, the Company incurred financing costs of \$28,591 and issued 271,125 finder's warrants with an estimated value of \$11,505 using the Black-Scholes option pricing model. Each finder's warrant entitles the holder, to purchase one common share at prices ranging from \$0.075 and \$0.09 until August 21, 2022. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.06, expected dividend yield rate of 0%, expected volatility of 100%, risk free interest rate of 0.28% and an expected life of 2 years. Refer to Note 13.

(h) On November 26, 2020, the Company closed a non-brokered private placement as announced for aggregate proceeds of \$5,000,260. It consisted of 8,890,001 flow-through units at a price of \$0.18 per unit for gross proceeds of \$1,600,200 where each flow-through unit consists of one flow-through common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.22 until November 26, 2022. The valuation of the warrants was estimated in the amount of \$221,000 using the Black-Scholes option pricing model. In addition, 22,667,066 hard-dollar units at a price of \$0.15 per unit for gross proceeds of \$3,400,060, where each hard-dollar unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.20 until November 26, 2022. The valuation of the warrants was estimated in the amount of \$588,000 using the Black-Scholes option pricing model. In connection with the private placements, the Company issued 1,837,266 finders' units at a unit price of \$0.15 for a total cost of \$275,590. Each hard-dollar finders' unit consists of one common share and one half of one common share purchase warrant. The valuation of the warrants was estimated in the amount of \$48,000 using the Black-Scholes option pricing model. Each whole finders' warrant entitles the holder, to purchase one common share at a price of \$0.20 until November 26, 2022. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.175, expected dividend yield rate of 0%, expected volatility of 102%, risk free interest rate of 0.26% and an expected life of 2 years. Refer to Note 13.

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11. SHARE CAPITAL (cont'd)***Stock options***

The Board of Directors of the Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities will not exceed 2% of the issued and outstanding shares. Otherwise specified otherwise by the Board of Directors options vest on the date of grant.

A summary of the changes in the Company's stock options is set out below:

	April 30, 2021			October 31, 2020	
	Number of options	Weighted average exercise price	Weighted average life (years)	Number of options	Weighted average exercise price
Options outstanding, beginning of period	10,575,000	\$ 0.07	3.37	7,775,000	\$ 0.06
Options granted	500,000	0.225	4.85	2,800,000	0.08
Options cancelled	(100,000)	(0.08)	(4.32)	-	-
Options exercised	(650,000)	(0.08)	(3.20)	-	-
Options outstanding, end of period	10,325,000	\$ 0.07	2.93	10,575,000	\$ 0.07
Options exercisable, end of period	10,325,000	\$ 0.07	2.93	10,575,000	\$ 0.07

On March 9, 2021, the Company granted 500,000 stock options with an exercise price of \$0.225 and a term of five years. These options vested immediately. The fair value of \$120,000 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.92% and an expected volatility of 100%. The granting of these options resulted in a share-based payment expense of \$79,176 being recorded during the period ended April 30, 2021.

On August 25, 2020, the Company granted 2,800,000 stock options with an exercise price of \$0.08 and a term of five years. These options vested immediately. The fair value of \$141,366 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.40% and an expected volatility of 100%. The granting of these options resulted in a share-based payment expense of \$141,366 being recorded during the year ended October 31, 2020.

On June 4, 2020, Baseloode granted 4,100,000 stock options to directors and officers of the Company. Each option, vests immediately and is exercisable to acquire one common share at a price of \$0.10 and a term of 5 years. These options vested immediately. The fair value of \$198,000 was estimated using the Black-Scholes option pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.48% and an expected volatility of 100%. The granting of these options resulted in a share-based payment expense of \$198,000 being recorded during the year ended October 31, 2020.

11. SHARE CAPITAL (cont'd)

The following incentive stock options were outstanding and exercisable at April 30, 2021:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
5,750,000	5,750,000	\$ 0.05	June 5, 2023
1,575,000	1,575,000	\$ 0.10	July 8, 2024
2,500,000	2,500,000	\$ 0.08	August 25, 2025
500,000	500,000	\$0.225	March 9, 2026
10,325,000	10,325,000	\$ 0.07	

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11. SHARE CAPITAL (cont'd)

The weighted average fair value of all grants in the period ended April 30, 2021 was \$0.16 per share (2020 – \$Nil).

Warrants

A summary of the changes in the Company's warrants is set out below:

	April 30, 2021			October 31, 2020	
	Number of warrants	Weighted average exercise price	Weighted average life (years)	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	31,766,311	\$ 0.09	1.50	15,019,919	\$ 0.105
Warrants issued for exploration and evaluation expenses	-	-	-	2,000,000	0.17
Warrants issued - flow-through dollar financing	4,445,001	0.22	1.58	9,081,807	0.10
Warrants issued – hard-dollar financing	11,333,533	0.20	1.58	5,306,057	0.12
Finders' warrants issued	918,633	0.20	1.58	864,675	0.07
Warrants exercised	(8,842,735)	(0.13)	(0.60)	(169,203)	(0.001)
Warrants expired	(706,102)	(0.13)	-	(336,944)	(0.03)
Warrants outstanding, end of period	38,914,641	\$ 0.13	1.58	31,766,311	\$ 0.09

As at April 30, 2021, the following warrants were outstanding.

Number of warrants outstanding	Exercise Price	Expiry Date
1,551,548	\$ 0.10	June 1, 2023
6,920,000	\$ 0.08	June 1, 2023
1,500,000	\$0.20	November 22, 2022
150,000	\$0.07	December 23, 2021
3,247,497	\$0.10	December 23, 2021
357,850	\$0.06	December 23, 2021
1,500,000	\$0.07	January 24, 2022
714,286	\$0.10	May 20, 2022
100,000	\$0.07	May 20, 2022
500,000	\$0.10	July 13, 2022
14,000	\$0.075	August 21, 2022
257,125	\$0.09	August 21, 2022
2,813,001	\$0.14	August 21, 2022
2,592,167	\$0.14	August 21, 2022
4,445,001	\$0.22	November 26, 2022
11,333,533	\$0.20	November 26, 2022
918,633	\$0.20	November 26, 2022
38,914,641	\$0.13	

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11. SHARE CAPITAL (cont'd)***Share-based payment reserve***

A summary of the changes in the Company's share-based payment reserve is set out below:

	April 30, 2021	October 31, 2020
Balance – beginning of period	\$ 1,123,760	\$ 630,881
Value of warrants issued for exploration and evaluation expenses	-	49,000
Value of warrants issued on flow-through private placements	221,000	168,915
Value of warrants issued on hard-dollar private placements	588,000	113,000
Value of finders' warrants	48,000	26,898
Value of warrants exercised	(219,717)	(6,300)
Value of options exercised	(32,662)	-
Share-based payments	79,176	141,366
Balance – end of period	\$ 1,807,557	\$ 1,123,760

12. ACQUISITION OF BASELODE

On June 3, 2020, the Company closed its sale of its 100% interest in the Mann Mine in exchange for 17,857,143 shares of Baselode at a valuation of \$1,499,029. The purchase price was estimated based on the implied price of the concurrent unit financing of Baselode. After a June 2020 financing in Baselode, the Company held an approximately 62% controlling interest in the Baselode common shares. The transaction does not constitute a business combination, as Baselode does not meet the definition of a business. As a result, the transaction is accounted for as an acquisition of assets. The purchase price is allocated to the assets and assumed liabilities their estimated fair values at the date of acquisition. The \$1,499,029 purchase price was allocated on a cost basis at the date of acquisition as follows: Cash \$753,109, GST/HST receivable \$8,826, accounts payable (\$125,625), property expenses of \$1,071,144, and non-controlling interest of \$242,000. On October 6, 2020, Baselode completed a private placement which diluted the Company's ownership interest to approximately 44%. As a result of the loss in control, the Company record a gain on loss of control of subsidiary of \$3,868,250 in the statement of income for the year ended October 31, 2020 (Note 7). On December 14, 2020, Baselode completed an additional private placement which diluted the Company's ownership interest to approximately 34% at April 30, 2021.

13. RELATED PARTY TRANSACTIONS

As at April 30, 2021, Orefinders held 5,059,752 common shares or approximately 4.7% of the common shares outstanding of the Company.

Key management personnel compensation

Key management includes directors and officers. The remuneration of the key management of the Company during the periods ended April 30, 2021 and 2020 were as follows:

	2021	2020
Management and consulting fees	\$ 116,133	\$ 102,467
Geological consulting included in exploration expenses	78,000	62,753
	\$ 194,133	\$ 165,220

The following are the balances due from (to) related party:

	April 30, 2021	October 31, 2020
Due from Standard Ore Corporation	\$ 28,132	\$ 7,420

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13. RELATED PARTY TRANSACTIONS (cont'd)

Standard Ore Corporation is a private company incorporated in Ontario. The company is controlled by a director of the Company and provides corporate and administrative services to the Company. For the six months ended April 30, 2021, Standard Ore charged the Company \$14,500 (2020 - \$2,667) in fees for CFO services included in management and consulting fees and \$5,799 (2020 - \$Nil) in rent expenses included in office, rent and general.

Included in accounts payable and accrued liabilities is \$Nil due to officers and directors of the Company (October 31, 2020 - \$4,533).

All of the amounts are unsecured, non-interest bearing with no fixed terms of repayment.

An officer of the Company subscribed for 445,467 shares for gross proceeds of \$33,410 in the August 21, 2020 private placement.

14. INCOME TAXES

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures in the period permitted (See Note 15).

At April 30, 2021, deferred income taxes payable was \$58,000 (October 31, 2020 - \$58,000).

15. COMMITMENTS AND CONTINGENCIES

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitment.

(i) The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made and expects to make in the future, expenditures to comply with such laws and regulations.

(ii) Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures in the period permitted. In 2019, the Company received \$1,209,882 from the issue of flow-through shares which the Company is obligated to spend by December 31, 2020. In 2020, the Company received \$2,366,790 from the issue of flow-through shares which the Company is obligated to spend by December 31, 2020. Through April 30, 2021, the Company expended \$2,897,049 in eligible exploration expenditures thereby meeting flow-through obligation of \$1,209,882 by the December 31, 2020 deadline. The Company is committed to spend a remaining \$679,623 by December 31, 2022.

On July 10, 2020, the Department of Finance Canada announced a proposal to extend the time that issuers of "flow-through shares" have to incur eligible expenditures by 12 months. The Company is taking the position that the Canadian provinces will also provide a similar 12-month extension. This proposal has not yet been enacted into law. Should it be enacted, the Company would have until December 31, 2021 to spend the remaining amount from 2019 and until December 31, 2022 to spend the amount raised in 2020.

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15. COMMITMENTS AND CONTINGENCIES (cont'd)

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitment.

(iii) The Company is party to certain management contracts. These contracts contain minimum commitments of approximately \$11,000 due within one year.

(iv) In February 2019, the Company entered into an agreement for the lease of office space. Minimum rental payments over the term of the agreement are approximately:

2021	\$ 18,500
2022	<u>9,000</u>
	<u>\$ 27,500</u>

(v) The Company is party to commitments with regards to the acquisition of its Opemiska and Cooke Robitaille properties as detailed in Note 6.

(vi) The COVID-19 pandemic is causing a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material.

16. EVENTS SUBSEQUENT TO PERIOD END

(i) Subsequent to April 30, 2021, the Company received \$43,043 from the exercise of 384,050 warrants.

(ii) On May 23, 2021, the Company issued 1.5 million shares and 1.5 million warrants (\$0.25 exercise price) and paid \$150,000 to Ex-In in connection with the Opemiska agreement (Note 6).

(iii) On May 26, 2021, the Company closed its acquisition of a 50% interest in Roger Gold-Copper project located in the Chibougamau district of Quebec from Pasofino Gold Ltd. ("Pasofino"). The other 50% interest remains with SOQUEM, a subsidiary of Investissement Québec. QC Copper issued Pasofino \$1 million in cash and issued 1,150,000 shares of the Company.

17. RESTATEMENT

A change was made to the interim condensed consolidated financial statements for the three and six months ended April 30, 2021 related to the equity loss and gain on dilution for the investment in associate. The following table summarizes the impact of this restatement on the condensed interim consolidated financial statements:

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17. RESTATEMENT (cont'd)

	As previously reported	Adjustments	As currently reported
<u>Condensed Interim Statement of Financial Position</u>			
ASSETS			
Investment in associate	\$ 3,755,952	\$ 258,963	\$ 4,014,915
Total assets	10,266,698	258,963	\$ 10,525,661
SHAREHOLDERS' EQUITY			
Retained earnings (Deficit)	(2,139,923)	258,963	(1,880,960)
Total shareholders' equity	8,553,919	(258,963)	8,812,882
Total liabilities and shareholders' equity	\$ 10,266,698	\$ 258,963	\$ 10,525,661
<u>Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)</u>			
<i>For the six months ended April 30, 2021</i>			
Equity loss on investment in associate	\$ 579,220	\$ (175,617)	\$ 403,603
Gain on dilution of investment in associate	(979,916)	(83,346)	(1,063,262)
Total Expenses	2,677,149	(258,963)	2,418,186
(Loss) from operations for the period	(2,677,149)	258,963	(2,418,186)
Net (loss) and comprehensive (loss) for the period	\$ (2,212,317)	\$ 258,963	\$ (1,953,354)
Loss per share	0.02	-	0.02
<i>For the three months ended April 30, 2021</i>			
Equity loss on investment in associate	\$ 434,013	\$ (160,371)	\$ 273,642
Gain on dilution of investment in associate	(96,080)	9,255	(86,825)
Total Expenses	2,949,207	(151,116)	2,798,091
(Loss) from operations for the period	(2,949,207)	151,116	(2,798,091)
Net (loss) and comprehensive (loss) for the period	\$ (2,530,175)	\$ 151,116	\$ (2,379,059)
Loss per share	0.02	-	0.02
<u>Condensed Interim Consolidated Statement of Cash Flows</u>			
<i>For the six months ended April 30, 2021</i>			
(Loss) for the period	\$ (2,212,317)	\$ 258,963	\$ (1,953,354)
Equity loss on investment in associate	579,220	(175,617)	403,603
Gain on dilution of investment in associate	\$ (979,916)	(83,346)	\$ (1,063,262)
Net cash (used in) operating activities	\$ (1,780,137)	\$ -	\$ (1,780,137)
<i>For the three months ended April 30, 2021</i>			
(Loss) for the period	\$ (2,530,175)	\$ 151,116	\$ (2,379,059)
Equity loss on investment in associate	434,013	(160,371)	273,642
Gain on dilution of investment in associate	\$ (96,080)	\$ 9,255	\$ (86,825)
Net cash (used in) operating activities	\$ (1,464,066)	\$ -	\$ (1,464,066)