Gold Springs Resource Corp.

(formerly TriMetals Mining Inc.)

(An Exploration Stage Company)

Consolidated Financial Statements
Years ended December 31, 2020 and 2019

(*Expressed in U.S. dollars*)

Independent auditor's report

To the Shareholders of Gold Springs Resource Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gold Springs Resource Corp. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of earnings (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of mining claims and deferred exploration costs *Refer to note 2 - Basis of presentation, note 3 – Use of estimates, assumptions and judgments and note 6 – Mining claims and deferred exploration costs to the consolidated financial statements.* The carrying value of mining claims and deferred exploration costs related to the Gold Springs project amounted to $18.8 million as at December 31, 2020. At each reporting period-end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) 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 (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2020.	Our approach to addressing the matter included the following procedures: • Assessed the judgments made by management in determining whether there were impairment indicators, which included the following: – Obtained, for a sample of mining claims, by reference to government registries and other regulatory bodies, evidence to support (i) the right to explore the area and (ii) claim expiration dates. – Assessed the planned substantive expenditures on further exploration for and evaluation of mineral resources in the specific area by reading board minutes and obtaining budget approvals to evidence continued and planned substantive expenditures, which included evaluating results of current year programs, and management's longer-term plans. – Assessed whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, or whether sufficient data exists to indicate that the carrying value of mining claims and deferred exploration costs related to the Gold Springs project is unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.	

Other information

Management is responsible for the other information. The other information comprises the 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 audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company’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 Company’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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 26, 2021

Gold Springs Resource Corp.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in U.S. dollars)

	Note	December 31, 2020	December 31, 2019
		$	$
Assets			
Current			
Cash and cash equivalents		1,595,615	3,831,570
Restricted cash	**7**	449,794	450,408
Receivables and prepaids	**4**	552,011	408,735
		2,597,420	4,690,713
Non-current assets			
Equipment		67,548	25,619
Reclamation deposit	**6**	470,131	470,131
Other receivables	**4**	356,171	295,487
Investment in associate	**5**	1,394,345	1,819,796
Mining claims and deferred exploration costs	**6**	18,830,813	17,527,069
		23,716,428	24,828,815
Liabilities			
Current			
Accounts payable and accrued liabilities	**11**	275,701	146,572
Redemption liability	**7**	449,794	450,408
		725,495	596,980
Non-current liabilities			
Loan payable	**8**	31,416	-
		756,911	596,980
Equity attributable to shareholders			
Share capital	**9**	98,491,472	98,466,930
Contributed surplus	**9**	13,757,700	13,725,401
Accumulated other comprehensive loss		(305,356)	(327,157)
Deficit		(88,984,299)	(87,633,339)
		22,959,517	24,231,835
		23,716,428	24,828,815

Contingencies (Note 12)
Subsequent events (Note 16)

Approved by the Board of Directors:

(signed) "Tina Woodside-Shaw" (signed) "Roman Mironchik"

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)

For the years ended December 31

(Expressed in U.S. dollars)

	Note	December 31, 2020	December 31, 2019
		$	$
General and administrative expenses			
Professional fees	**11**	321,723	364,788
Wages and benefits	**11**	274,339	165,652
Shareholder information and investor relations		70,546	35,550
Office and administration		110,128	115,211
Directors’ fees	**11**	57,783	52,848
Filing and transfer agent fees		46,544	63,147
Reconnaissance and sundry exploration		37,390	5,511
Share-based payments	**9,11**	34,932	319,294
Depreciation and amortization		26,330	19,638
Consulting		21,369	45,134
Arbitration		-	391,221
		(1,001,084)	(1,577,994)
Other income (expenses)			
Interest and other income		78,384	36,939
Foreign exchange loss		11,845	207
Share of loss of equity accounted investee	**5**	(440,105)	(103,264)
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	**7**	-	3,312,037
Loss on sale of Escalones property	**6**	-	(13,471,723)
		(349,876)	(10,225,804)
Net loss for the year		(1,350,960)	(11,803,798)
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		21,801	10,444
Total other comprehensive income for the year		21,801	10,444
Total comprehensive loss for the year		(1,329,159)	(11,793,354)
Net loss per share:			
Basic and Diluted		(0.01)	(0.05)
Weighted average number of shares outstanding:			
Basic and Diluted		248,860,794	240,779,344

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	AOCL[1]	Deficit	Total
	Number	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2018	**229,569,464**	**97,678,334**	**13,403,664**	**(337,601)**	**(75,829,541)**	**34,914,856**
Shares issued on private placement	17,748,181	701,856	-	-	-	701,856
Less: issue costs - cash	-	(39,828)	-	-	-	(39,828)
Shares issued on warrant exercise	1,071,428	105,201	(15,800)	-	-	89,401
Shares issued on settlement of trade payables	400,000	21,367	-	-	-	21,367
Share-based payments	-	-	337,537	-	-	337,537
Total comprehensive income (loss)	-	-	-	10,444	(11,803,798)	(11,793,354)
Balance, December 31, 2019	**248,789,073**	**98,466,930**	**13,725,401**	**(327,157)**	**(87,633,339)**	**24,231,835**
Shares issued on warrant exercise	250,000	24,542	(3,687)			20,855
Share-based payments	-	-	35,986	-	-	35,986
Total comprehensive income (loss)	-	-	-	21,801	(1,350,960)	(1,329,159)
Balance, December 31, 2020	**249,039,073**	**98,491,472**	**13,757,700**	**(305,356)**	**(88,984,299)**	**22,959,517**

1 Accumulated other comprehensive loss

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

Gold Springs Resource Corp.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the years ended December 31

(Expressed in U.S. dollars)

	December 31, 2020	December 31, 2019
	$	**$**
Cash flows (used in) from operating activities		
Net loss for the year	(1,350,960)	(11,803,798)
Items not affecting cash		
Depreciation and amortization	26,330	19,638
Share of loss of equity accounted investee	440,105	103,264
Share-based payments	34,932	319,294
Interest income	(78,384)	(36,939)
Arbitration	-	104,737
Unrealized foreign exchange	-	(36,060)
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	-	(3,312,037)
Loss on sale of Escalones property	-	13,471,723
	(927,977)	(1,170,178)
Interest received	75,141	33,696
Changes in non-cash operating working capital		
Change in receivables and prepaids	(200,717)	1,463
Change in accounts payable and accrued liabilities	111,243	(192,209)
	(942,310)	(1,327,228)
Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(1,284,804)	(832,143)
Purchase of equipment	(68,259)	-
Receipt of settlement from Bolivia, net of Tribunal's cost order	-	25,588,525
Costs on sale of Escalones	-	(166,015)
Reclamation deposit	-	(235,331)
	(1,353,063)	24,355,036
Cash flows from (used in) financing activities		
Exercise of warrants	20,855	89,401
Receipt of loan financing	31,416	-
Private placement	-	701,856
Share issuance costs	-	(39,828)
Payment of Class B and other arbitration award liabilities	-	(19,844,789)
Installment from the working capital funding facility with the Fund	-	500,000
Repayment of the working capital funding facility with the Fund	-	(625,000)
	52,271	(19,218,360)
Increase (decrease) in cash and cash equivalents	(2,243,102)	3,809,448
Foreign exchange effect on cash and cash equivalents	7,147	10,444
Cash and cash equivalents - Beginning of year	3,831,570	11,678
Cash and cash equivalents - End of year	1,595,615	3,831,570

Supplemental cash flow information (Note 14)

1 Nature of operations and liquidity risk

Gold Springs Resource Corp. ("GRC" or the "Company") was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act* (British Columbia) ("BCBCA") on December 17, 2013. On November 1, 2019 the Company changed its name from TriMetals Mining Inc. to Gold Springs Resource Corp. On November 5, 2019, the Company changed its stock symbol on the Toronto Stock Exchange ("TSX") to GRC and on November 12, 2019 changed its stock symbol on the OTCQB Venture Market ("OTCQB") in the U.S. to GRCAF. On December 31, 2019 the Company amalgamated with its 100% subsidiary, MK Acquisition Corp., and continued under the name Gold Springs Resource Corp. During the third and fourth quarters of 2020, respectively, the Company dissolved its Bolivian and Bahamian subsidiaries, respectively, and accordingly has ceased operations in those countries. The Company's registered and head office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. The Company's principal activities include the acquisition, exploration and development of mineral properties. The principal country where the Company has been undertaking exploration activities is the United States. Property interests are held through wholly owned subsidiaries.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At December 31, 2020, the Company had a working capital of $1,871,925 (December 31, 2019 – working capital of $4,093,733), which the Company believes is sufficient to meet its obligations and continue its operations for at least the next twelve months.

Beyond the next 12 months, the Company's ability to continue as a going concern will be dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2 Basis of presentation

Statement of compliance
The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS") effective for the Company's reporting for the year ended December 31, 2020. The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements were approved by the board of directors on March 26, 2021.

Basis of consolidation
The consolidated financial statements include the results or financial information of Gold Springs Resource Corp. and its significant wholly-owned subsidiaries listed in the following table:

Name	Country of incorporation
South American Silver Limited	Bermuda
Escalones Resource Corp.	Canada
High Desert Gold Corporation	Canada
Gold Springs Resource Corp. (formerly TriMetals Mining Inc.)	U.S.A.
Gold Springs LLC	U.S.A.

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

Summary of significant accounting policies

Cash and cash equivalents
Cash and cash equivalents include cash and highly liquid investments held in the form of money market investments and certificates of deposit with investment terms of less than three months at acquisition.

Equipment
Equipment is carried at cost less accumulated depreciation and any recognized impairment loss, net of reversals. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware	3 years
Computer software	1 year
Vehicles	5 years

Mining claims and deferred exploration costs
The Company is in the exploration stage and defers all exploration and evaluation expenditures related to its mineral properties until such time as the properties are put into commercial production, impaired, sold or abandoned. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Mineral property option proceeds, if received, are credited against the deferred costs incurred by the Company on the property or properties being optioned. Under this method, the amounts shown as mining claims and deferred exploration represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to development assets within property, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

If a property is put into commercial production, the carrying value will be depleted using the unit of production basis. If a property is impaired, sold or abandoned, the expenditures will be charged to profit or loss in the related period.
Exploration costs that are not attributable to a specific property or that are incurred prior to the Company acquiring the legal rights to a property are charged to profit or loss as reconnaissance and sundry exploration.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Recognition of Financial Instruments
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets at FVTOCI
Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of financial assets and liabilities
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise. However, gains and losses on derecognition of financial assets designated as FVTOCI are recorded in other comprehensive income (loss) in the period in which they arise. Cumulative gains and losses on derecognized financial assets designated as FVTOCI are reclassified from accumulated other comprehensive income (loss) to deficit.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment of long-lived assets
At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset (or cash-generating unit) is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Management's assessment of a property's estimated fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

In assessing value in use, the estimated future pre-tax 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

Investment in associate
Investments over which the Company exercises significant influence but do not control or jointly control are associates. Investment in associates are accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for our proportionate share of any other changes in the associate's net assets. The Company's share of the profit or loss from the associate is recorded in the Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss). Our proportionate share of the associate's income or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between our accounting policies and our associate's accounting policies before applying the equity method.

Restoration, rehabilitation and environmental obligations
An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The capitalized costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an accretion expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company has no material restoration, rehabilitation or environmental obligation as the disturbance to date is minimal.

Earnings per share
Basic earnings or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares in issue during the period. Diluted earnings or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares in issue during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Diluted earnings or loss per share is calculated using the Treasury Stock Method which assumes proceeds raised from the assumed exercise of stock options, warrants and other similar instruments are used to repurchase common shares in the open market.

Foreign currencies
The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, GRC, is the Canadian dollar; and the functional currency of each of the Company's subsidiaries is the U.S. dollar. The presentation currency of these consolidated financial statements is the U.S. dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

The statement of financial position of the parent company is translated into U.S. dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into U.S. dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income (loss).

Income tax
Income tax on the earnings or loss for the periods presented comprises current and deferred tax. Income tax is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital
Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Share-based payments

The Company has established a share incentive plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The Plan includes a stock award plan comprised of stock options and share appreciation rights. The maximum number of shares available under the Plan is limited to 10% of the issued common shares.

The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the estimated forfeiture rate, is measured at the date of grant and is recognized over the vesting period. The Company's stock options are subject to graded vesting and thus each tranche in the award is considered a separate grant, with a different vesting date and fair value for purposes of recognizing share-based payment expense. Prior to the vesting date, the then-current fair values of stock options granted are recognized as share-based payment expense from the date of grant to the reporting date and credited to contributed surplus. Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

3 Use of estimates, assumptions and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgements are made in particular with regard to the Company's ability to continue as a going concern and the assessment of impairment to the carrying value of mineral properties.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the financial resources to continue in business for at least the next twelve months. The factors considered by management are disclosed in Note 1.

Mining claims and deferred exploration costs

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity 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, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) 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 (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2020.

(Expressed in U.S. dollars)

Share-based payments
The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

Warrants
In determining the fair value of warrants included in unit placements, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

Investment in associate
The carrying value of the investment in associate is included in the consolidated statements of financial position. Management estimated the cost of the initial investment based on the shares received from World Copper Ltd. (formerly Wealth Copper Ltd.) and applied the expected pricing of the Concurrent Financing, as discussed in Note 5. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggests the carrying amount exceeds the recoverable amount. Any change in the assumptions used could impact the carrying value of the investment on the consolidated statement of financial position with a corresponding adjustment to the consolidated statement of earnings (loss) and comprehensive income (loss).

4 Receivables and prepaids

	December 31, 2020 $	**December 31, 2019 $**
GST receivable	6,644	13,502
Other receivables	13,783	15,731
Other prepaids and advances	202,694	87,635
Receivables from sale of the Escalones property (note 5)*	685,061	587,354
	908,182	704,222
Less: long term receivable from sale of the Escalones property (note 5)	(356,171)	(295,487)
	552,011	408,735

* Subsequent to December 31, 2020 the Company received (i) the Cdn$350,000 due as part payment of the Cash Consideration and (ii) the reimbursement of the 2019 land payments of the Escalones property of $54,000.

5 Investment in associate

On May 31, 2019, the Company and its wholly-owned subsidiary, Escalones Resource Corp. ("ERC") entered into a definitive share purchase agreement, as amended (the "Share Purchase Agreement"), with Wealth Minerals Ltd. ("Wealth") and its then wholly-owned subsidiary, Wealth Copper Ltd., subsequently renamed to World Copper Ltd., ("World Copper"), a company incorporated in British Columbia, pursuant to which, World Copper agreed to acquire from ERC all of the issued and outstanding shares of the Company's subsidiaries SASC Metallurgy Corp. and Escalones Copper Corp. (the "Purchased Shares"), and thereby 100% of the Company's Chilean subsidiary, TriMetals Mining Chile SCM, and its interest in the Escalones property (the "Escalones Transaction"). The Escalones Transaction closed on September 26, 2019.

As consideration to the Company for the purchase of the Escalones property, World Copper

(i) issued 25,000,000 common shares in its capital (each, a "World Copper Share") to ERC (received);

(ii) will pay the Company an aggregate of $754,638 (Cdn$1,000,000) in cash (the "Cash Consideration") of which $112,790 (Cdn$150,000) was paid in 2018, and credited against the Cash Consideration, and Cdn$350,000 due upon closing of the Concurrent Financing (as defined below, payment received subsequent to December 31, 2020) and Cdn$500,000 due on the 12-month anniversary of the closing of the Concurrent Financing; and

(iii) granted the Company a 2% net smelter returns royalty payable on production from those mining rights or exploitation concessions that supersede or shall derive from the Escalones Exploration Concessions if the price of copper is greater than US$0.75 per pound or a 1% net smelter returns royalty if the copper price is equal to or less than US$0.75 per pound (the "Royalty"). The Royalty is subject to a buyback right pursuant to which the Royalty may be purchased for US$3 million at any time during the 5 years following the first sale of minerals produced from such mining rights or exploitation concessions, and US$5 million after such 5-year period. In calculating the loss from disposition of the Escalones property, a $nil value was ascribed to the Royalty due to uncertainty of occurrence.

World Copper also agreed to reimburse the Company for the 2019 land payments of the Escalones property of $54,000 upon closing of the Concurrent Financing (payment received subsequent to December 31, 2020).

At closing of the Escalones Transaction, the Company held 25,000,000 World Copper Shares and 25,000,000 World Copper Shares were held by Wealth, which collectively represented 85.2% of the issued and outstanding World Copper Shares, excluding any World Copper Shares to be issued in connection with the Concurrent Financing.

World Copper entered into a letter of intent with Allante Resources Ltd. (TSXV: ALL.H) ("Allante") dated June 7, 2019 in respect of a reverse take-over transaction (the "Going-Public Transaction"), whereby Allante (which, as a result of the closing of the Going-Public Transaction on January 18, 2021 is the "Resulting Issuer") is to acquire all of the issued and outstanding World Copper Shares from Wealth and ERC and continue the business of World Copper in exchange for the issuance of common shares in the capital of Allante to the World Copper shareholders on a one (1) for one (1) basis. The Share Purchase Agreement contemplates that in connection with the Going-Public Transaction, World Copper and/or Allante shall have completed private placement financings to raise an aggregate of at least Cdn$5,000,000 (the "Concurrent Financing") on or before April 30, 2021, subject to raising at least Cdn$2,000,000 prior to the closing of the Going-Public Transaction (the Concurrent Financing completed on January 12, 2021). During the year ended December 31, 2020, World Copper issued 23,737,655 units at Cdn$0.10 per share for gross proceeds of Cdn$2,373,766. Each unit consisted of a common share and warrant exercisable into a common share at a price of Cdn$0.20 for 5 years. In addition, World Copper issued 1,500,000 units at Cdn$0.10 per share to settle a loan payable of Cdn$150,000. Each unit consisted of a common share and warrant exercisable into a common share at a price of Cdn$0.20 for 5 years.

(Expressed in U.S. dollars)

Pursuant to the Share Purchase Agreement, the Company's ownership interest in the Resulting Issuer is not to be less than 30% immediately after giving effect to the Going-Public Transaction and the Concurrent Financing and the Company is to be granted the right to participate in future equity financings of the Resulting Issuer to allow the Company to maintain up to its pro rata ownership interest in the equity capital of the Resulting Issuer. In addition, following closing of the Going-Public Transaction, the Company and Wealth will each be granted the right to nominate one director to the board of directors of the Resulting Issuer for so long as each holds at least 20% of the issued and outstanding shares of the Resulting Issuer.

On January 12, 2021, World Copper completed the Concurrent Financing; on January 18, 2021, World Copper completed the Going Public Transaction and on January 26, 2021, World Copper commenced trading on Tier 2 of the TSX Venture Exchange under the trading symbol "WCU" (see Note 16).

On initial recognition, in absence of available market information on the value of World Copper's shares, the Company estimated the value of the common shares of World Copper to equal Cdn $0.10/share, being the price per common share applicable to the financings completed by World Copper prior to closing of the Escalones Transaction, totalling an initial recognition cost of $1,887,000. As at December 31, 2020 the Company owns 29.81% (2019 – 42.63%) of the issued and outstanding common shares of World Copper.

The Company's investment in associate as at December 31, 2020 and 2019 and the changes for the year then ended are as follows:

	December 31, 2020
	$
Initial recognition, September 26, 2019	1,887,000
Share of loss in equity accounted investee	(103,264)
Foreign exchange	36,060
Balance, December 31, 2019	1,819,796
Share of loss in equity accounted investee	(440,105)
Foreign exchange	14,654
Balance, December 31, 2020	**1,394,345**

(Expressed in U.S. dollars)

The following is a summary of World Copper's financial information on a 100% basis as at December 31, 2020 and 2019.

	December 31, 2020	December 31, 2019
	$	$
Cash and cash equivalents	259,696	128,352
Total current assets	37,350	136,020
Total non-current assets	3,709,784	3,066,046
Total current liabilities	(580,775)	(291,079)
Total non-current liabilities	(767,781)	(807,811)
Net asset value	2,658,274	2,231,528
Net loss for the year ended December 31, 2020	1,256,548	242,216
Proportionate share of net loss*	440,105	103,264

**29.81% and 42.63% ownership respectively as at December 31, 2020 and 2019, as amended for consistency with group accounting policies (Note 2)*

6 Mining claims and deferred exploration costs

Mining claims and deferred exploration costs are associated with the following projects:

	Gold Springs	Escalones	Total
	$	$	$
Balance at December 31, 2018	**16,823,759**	**15,692,632**	**32,516,391**
Land and option payments	295,085	50,613	345,698
Laboratory	45,709	-	45,709
Field supplies	6,939	-	6,939
Camp	16,962	3,711	20,673
Consulting and supervision	120,233	25,191	145,424
Drilling	141,293	-	141,293
Environmental	7,163	3,314	10,477
Technical consulting	10,898	4,489	15,387
Travel and accommodation	17,222	-	17,222
Trenching	23,563	-	23,563
Share-based payments	18,243	-	18,243
Value added tax credits	-	112	112
	703,310	87,430	790,740
Sale of Escalones property	-	(15,780,062)	(15,780,062)
Balance at December 31, 2019	**17,527,069**	**-**	**17,527,069**

(Expressed in U.S. dollars)

	Gold Springs
	$
Balance, December 31, 2019	**17,527,069**
Land and option payments	239,282
Laboratory	49,011
Field supplies	26,177
Camp	35,892
Geologists and personnel	363,027
Drilling	5,267
Environmental and permitting	176,515
Technical consulting	160,773
Travel and accommodation	99,050
Trenching	147,696
Share-based payments	1,054
	1,303,744
Balance, December 31, 2020	**18,830,813**

Gold Springs, USA
The Gold Springs mineral property was acquired through the 2013 acquisition of High Desert Gold Corporation ("HDG").

During the year ended December 31, 2017 the Company increased the size of the Gold Springs property by entering into lease and surface use agreements. Pursuant to the agreements, the Company has entered into a 30 year lease beginning on October 25, 2017 for the mineral rights on certain patented mining claims and a 30 year surface use agreement on certain homestead lands upon payment as follows: $41,035 paid on execution of the agreement, $40,000 on October 25, 2018 (paid), $45,000 on October 25, 2019 (paid), $50,000 on October 25, 2020 (paid) and $55,000 on each anniversary until October 25, 2047. In addition, upon commencement of commercial production, the Company is to pay the lessor a 3% net smelter returns royalty. The Company has the right and option, prior to commencement of commercial production, to buy back 0.5% of the net smelter returns royalty for the sum of $1,000,000, payable within 60 days from and after commencement of commercial production.

As at December 31, 2020 the Company had $470,131 (2019 - $470,131) of cash on direct deposit with Nevada and Utah land and environmental regulatory authorities for future remediation costs. The cash on deposit represents the amounts to meet the expected remediation costs as advised by those regulatory authorities.

(Expressed in U.S. dollars)

Sale of Escalones

As a result of ERC entering into the Escalones Transaction, the Company incurred a loss on sale during the year ended December 31, 2019, as follows:

	$
Disposal of mining claims and deferred exploration costs	15,780,062*
Cash consideration receivable (note 5)	(587,354)
Investment in associate (note 5)	(1,887,000)
Transaction costs incurred	166,015
Loss on sale of Escalones property	13,471,723

* This is net of $112,790 advanced proceeds received during the year ended December 31, 2018

7 Restricted cash and redemption liability

On August 29, 2019, the Company and its wholly-owned Bermudian subsidiary, South American Silver Limited (“SASL”), and SASL’s formerly wholly-owned Bolivian subsidiary, Compañia Minera Malku Khota S.A. (“CMMK”), entered into an agreement with the Plurinational State of Bolivia (“Bolivia”) for $25,798,000 to settle SASL’s then ongoing international arbitration against Bolivia, and to transfer to Bolivia the exploration data of the Malku Khota project owned by the Company (the “Data”).

On September 5, 2019 the Company received $25,588,525, being net of $209,475 for the Tribunal’s cost order included in the Award, from the Government of Bolivia as a final settlement amount for (i) SASL’s Award against Bolivia and (ii) the transfer of the Data by the Company to Bolivia.

On November 4, 2019 the Class B shares were redeemed for $0.09827 per Class B share for an aggregate redemption amount of $11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at December 31, 2020 there was $449,794 (December 31, 2019 - $450,408) of redemption funds remaining held in trust with Company’s Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

During 2019, and prior to the settlement with Bolivia and redemption of the Class B shares, the associated arbitration assets and liabilities were carried at their estimated fair values, being the accounting measure as determined based on the requirements of IFRS-13 *Fair value measurement* (“IFRS-13”). The fair value requirements of IFRS-13 compel the maximum use of quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs).

During the year ended December 31, 2019, the Class B shares were recorded at their estimated fair value which was based on the quoted price of the Class B shares on the Toronto Stock Exchange (“TSX”). The Class B shares represented a portion of the total arbitration award liability. The remainder of the liability was made up of the other costs incurred that were contingent on the monetary outcome of the award process.

As the Class B shares were quoted on the TSX, and because of the requirement of IFRS-13 to maximise the use of Level 1 inputs, the price of the Class B shares was required to be utilized as the primary input in determining the fair values of the arbitration award asset as well as the other arbitration award liability.

The change in fair value of arbitration award asset, Class B shares and other arbitration award liabilities of $3,312,037 for the year ended December 31, 2019 comprise the net unrealized fair value changed in the then total arbitration award assets and the then arbitration award liabilities.

8 Loan payable

In May 2020, the Company received $31,416 (CAD $40,000) in the form of a Canada Emergency Business Account ("CEBA") loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. During the period from receipt of the CEBA loan to December 31, 2022, the "Initial Term", no interest is charged on the amount outstanding and should at least CAD$ 30,000 be repaid on or before the end of the Initial Term the remaining CAD $10,000 of principal will be forgiven. During the period from January 1, 2023 to December 31, 2025 (the "Extended Term"), should the loan remain outstanding, interest will be payable monthly at rate of 5% per annum on the outstanding balance. The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the initial Term.

9 Share capital

Authorized
An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company. No dividends have ever been declared or paid as at December 31, 2020.

On November 4, 2019 the Company redeemed the Class B shares at a price of US$0.09827 per share for an aggregate redemption amount of $11,436,186. On November 5, 2019 the Class B shares were delisted from the TSX and the OTCQB. As at December 31, 2020 there was $449,794 (December 31, 2019 - $450,408) of redemption funds remaining held in trust with Company's Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders.

Financings
On September 18, 2020, a total of 250,000 warrants were exercised for gross proceeds of $20,855.

On August 16, 2019 the Company closed, in two tranches, a private placement, issuing 8,548,181 common shares at a price of Cdn $0.055 per share, raising gross proceeds of $356,442 (Cdn $470,150). The Company incurred share issuance costs of $11,265.

On March 20, 2019 the Company completed a private placement for gross proceeds of $345,414 (Cdn $460,000) through the issuance of 9,200,000 common shares at a price of Cdn $0.05 per share. The Company incurred share issuance costs of $28,563.

(Expressed in U.S. dollars)

In addition, during the year ended December 31, 2019, the Company issued 400,000 common shares at a price of Cdn $0.05 per share to settle trade debts payable and a total of 1,071,428 warrants were exercised for gross proceeds of $89,401.

Stock options

The Company's stock options outstanding as at December 31, 2020 and 2019 and the changes for the years then ended are as follows:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
		Cdn $	
Balance – December 31, 2018	9,985,000	0.22	2.62
Expired	(1,660,834)	0.35	
Forfeited	(1,116,666)	0.18	
Granted	13,450,000	0.06	
Balance – December 31, 2019	20,657,500	0.11	2.08
Expired	(1,727,500)	0.21	
Granted	200,000	0.145	
Balance – December 31, 2020	**19,130,000**	**0.10**	**1.23**
Exercisable – December 31, 2020	**18,996,667**	**0.10**	**1.22**

During the year ended December 31, 2020, the Company granted 200,000 stock options. A total of 66,667 vested immediately, 66,667 will vest 9 months following the date of grant, and 66,666 will vest 18 months following the date of grant.

During the year ended December 31, 2019, the Company granted 13,450,000 stock options. A total of 7,400,000 vested immediately, 1,333,332 vested 3 months following the date of grant, 666,667 vested 6 months following the date of grant, 66,667 vested 9 months following the date of grant, 666,667 vested 12 months following the date of the grant, 66,667 will vest 18 months following the date of grant and 3,250,000 will vest based on performance milestones (achieved) set out by the board of directors.

During the year ended December 31, 2020, the Company recorded share-based payments of $35,986 (2019 - $337,537) in respect of the vesting of previously granted stock options and newly granted options. Of this amount, $34,932 (2019 - $319,294) was recorded as a charge to operations and $1,054 (2019 - $18,243) was included in deferred exploration costs. The weighted average grant date fair value of options granted during the year ended December 31, 2020 was $0.06 per share (2019 - $0.03 per share). The fair value of each option grant during the years ended December 31, 2020 and 2019 was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

	2020	**2019**
Weighted average exercise price	Cdn. $0.145	Cdn. $0.06
Weighted average grant date share price	Cdn. $0.145	Cdn. $0.06
Risk-free interest rate	0.24%	1.58%
Expected life	3 years	3 years
Expected volatility	86%	83%
Dividend rate	0%	0%

(Expressed in U.S. dollars)

Grant date share price is the closing market price on the date the options were granted. Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted.

The balance of options outstanding as at December 31, 2020 is as follows:

Expiry date	**Exercise price Cdn$**	**Number of options outstanding**	**Number of options exercisable**
May 19, 2021	0.305	1,427,500	1,427,500
October 10, 2021	0.285	250,000	250,000
November 21, 2021	0.225	50,000	50,000
November 27, 2021	0.05	2,050,000	2,050,000
February 8, 2022	0.055	200,000	200,000
February 15, 2022	0.06	2,000,000	2,000,000
April 8, 2022	0.06	6,500,000	6,500,000
May 1, 2022	0.045	2,000,000	2,000,000
May 9, 2022	0.045	500,000	500,000
June 12, 2022	0.30	1,702,500	1,702,500
September 9, 2022	0.08	2,250,000	2,250,000
August 31, 2023	0.145	200,000	66,667
		19,130,000	18,996,667

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

Warrants

The Company's warrants outstanding as at December 31, 2020 and 2019 and the changes for the years then ended are as follows:

	Number of warrants	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
		Cdn$	
Balance – December 31, 2018	27,250,916	0.30	0.96
Expired	(17,689,131)	0.35	
Exercised	(1,071,428)	0.11	
Balance – December 31, 2019	8,490,357	0.21	0.34
Expired	(8,240,357)	0.22	
Exercised	(250,000)	0.11	
Balance – December 31, 2020	**-**	**-**	**-**

(Expressed in U.S. dollars)

10 Income taxes

The tax on the Company's profit before tax differs from the amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2020	**2019**
Tax rate	27%	27%
Net earnings (loss) for the year	(1,350,960)	(11,803,798)
Provision for income taxes at applicable rates	364,759	3,187,025
Tax effects of:		
Prior year tax return true ups	(1,230,867)	(159,108)
Foreign exchange and rate differences	7,544	(110,159)
Non-deductible expenses and non-taxable gains	(59,414)	(1,183,832)
Losses and benefits recognized (not recognized)	917,978	(1,733,926)
Income tax expense	-	-

The analysis of deferred tax assets and deferred tax liabilities as at December 31, 2020 and 2019 is as follows:

	2020	**2019**
	$	**$**
Deferred tax assets	9,070,899	9,865,806
Deferred tax liabilities	-	-
Benefits not recognized	(9,070,899)	(9,865,806)
Net deferred tax balance	-	-

(Expressed in U.S. dollars)

The movement of deferred tax assets for the years ended December 31, 2020 and 2019 are as follows:

	Operating loss carry forwards	Capital loss carry forward	Excess of tax basis over carrying value of assets	Tax basis of financing fees in excess of book value	Unrealized gains and losses charged to OCI	Total
	$	$	$	$	$	$
Balance, December 31, 2018	**9,244,763**	**-**	**438,904**	**85,396**	**217,863**	**9,986,926**
Charged to equity	-	-	-	25,996	-	25,996
Charged (credited) to the statement of loss	(916,624)	1,188,884	(398,389)	(34,970)	-	(161,099)
Charged to OCI	-	-	-	-	13,983	13,983
Balance, December 31, 2019	**8,328,139**	**1,188,884**	**40,515**	**76,422**	**231,846**	**9,865,806**
Charged to equity	-	-	-	-	-	-
Charged (credited) to the statement of loss	(1,447,905)	878,211	(35,240)	(34,971)	-	(639,905)
Charged to OCI	-	-	-	-	(155,002)	(155,002)
Balance, December 31, 2020	**6,880,234**	**2,067,095**	**5,275**	**41,451**	**76,844**	**9,070,899**

The Company has non-capital losses carried forward available to reduce future taxable income of approximately $26,026,000. Of this amount, $529,000 do not expire. The remainder of the losses expire as follows:

	$
2031	4,217,000
2032	5,578,000
2033	5,551,000
2034	3,021,000
2035	2,245,000
2036	1,857,000
2037	1,463,000
2038	798,000
2039	77,000
2040	690,000
	25,497,000

The potential benefits of these carry-forward non-capital losses, capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit in the same entity will allow the deferred tax asset to be recovered.

(Expressed in U.S. dollars)

11 Related party transactions

Key management includes all the Officers and Directors of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
	$	$
Directors' fees	57,783	52,848
Professional fees	35,650	81,776
Wages and benefits	323,334	180,781
Share-based payments	30,435	294,218
	447,202	609,623

Included in accounts payable at December 31, 2020 is an amount of $112,836 (December 31, 2019 - $38,670) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

The Company incurred the following additional expenditures with related parties during the years ended December 31, 2020 and 2019:

	2020	2019
	$	$
Consulting fees	-	52,582
Consulting fees - mineral property costs	-	21,326
Prepaid financing fees	65,467	-
Professional fees	115,208	236,432
Share issuance costs	-	22,351
	180,675	332,691

12 Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

(Expressed in U.S. dollars)

13 Segment information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities as at December 31, 2020 and 2019 is as follows:

Identifiable assets	**December 31, 2020**	**December 31, 2019**
	$	$
Bolivia	-	11,127
Canada	4,262,952	6,652,716
United States	19,453,476	18,164,972
Total assets	23,716,428	24,828,815

Identifiable liabilities	**December 31, 2020**	**December 31, 2019**
	$	$
Bolivia	-	10,091
Canada	696,293	577,186
United States	60,618	9,703
Total liabilities	756,911	596,980

Geographic segmentation of the Company's net earnings (loss) for the years ended December 31, 2020 and 2019 is as follows:

	2020	**2019**
	$	**$**
Bolivia	(127,775)	3,202,804
Canada	(1,046,546)	(940,038)
Chile	-	(13,652,785)
United States	(176,639)	(413,779)
Net earnings (loss)	(1,350,960)	(11,803,798)

14 Supplemental cash flow information

The Company conducted non-cash investing activities during the years ended December 31, 2020 and 2019 as follows:

	2020	**2019**
	$	**$**
Shares issued to settle accounts payable	-	21,367
Investing activities		
Deferred exploration costs included in accounts payable	18,403	517
Financing activities		
Share-based payments included in deferred exploration costs	1,054	18,243

Cash and cash equivalents as at December 31, 2020 and 2019 was comprised solely of cash.

15 Financial instruments

The Company's financial instruments as at December 31, 2020 and 2019 consist of cash and cash equivalents, receivables, reclamation deposits, accounts payable, redemption obligations and loan payable which are all classified as amortized cost.

The Company's activities expose it to a variety of financial risks: market risk (including, primarily, currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2019.

Discussions of risks associated with financial assets and liabilities are detailed below:

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in the U.S. and, up to the time of dissolution of its Bolivian subsidiaries, Bolivia and/or in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at December 31, 2020 a 5% change in exchange rates could give rise to a change in the net loss by approximately $96,000 (2019 - $225,000), which is primarily driven by the parent Company's USD cash balance of $1.6 million at December 31, 2020 (2019 - $3.6 million) (because the parent Company has a Canadian Dollar functional currency). The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The majority of the Company's credit risk exposure arises from its cash balances which are held with a Canadian chartered bank and from reclamation deposits held directly with governmental authorities in the United States. Accordingly, the Company's exposure to credit risk is considered to be limited. Cash equivalents consist of term deposits which have an original maturity of three months or less from the date of purchase and which are readily convertible into a known amount of cash. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its cash according to its operational needs and to maximize interest revenue. The Company is not significantly exposed to interest rate risk.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. The Company's investment policy is to invest its cash in term deposits, with maturities of three months or less from the original date of acquisition. See Note 1. The Company's accounts payable are due on normal commercial

terms. The Company's redemption obligations are due on demand and are supported by cash balances held directly with the Company's Transfer Agent to facilitate the redemptions as they arise.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimizes the costs of capital as an acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders and the convertible notes (up to the date of conversion).

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

The Company is dependent on the equity markets as its principal source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX. The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through the current operating period.

There have been no changes to the Company's approach in managing capital during the year ended December 31, 2020.

16 Subsequent events

On January 15, 2021, Gold Springs' wholly-owned subsidiary, ERC, received 39,675,594 common shares (the "Acquired Shares") of World Copper (formerly Allante Resources Ltd.) at a deemed price of $0.20 per share representing 30% of the issued and outstanding common shares of the Issuer, pursuant to the Issuer's qualifying transaction. In addition, ERC was issued a special warrant (the "Special Warrant") which shall be deemed to be exercised for no additional consideration into up to 24,446,702 common shares. The Acquired Shares and Special Warrant were issued to ERC as part of the consideration for the divestiture of the Escalones Project in Chile (see Note 5). In addition, subsequent to closing of the Concurrent Financing, World Copper paid Gold Springs (i) the Cdn$350,000 due as part payment of the Cash Consideration and (ii) the reimbursement of the 2019 land payments of the Escalones property of $54,000.

On January 12, 2021, World Copper completed the Concurrent Financing; on January 18, 2021, World Copper completed the Going Public Transaction and on January 26, 2021, World Copper commenced trading on Tier 2 of the TSX Venture Exchange under the trading symbol "WCU" at an opening price of $0.24 per share.