



## **2020 ANNUAL FINANCIAL STATEMENTS**

**RADISSON MINING RESSOURCES INC.**

## Independent Auditor's Report

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Raymond Chabot  
Grant Thornton LLP  
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To the Shareholders of  
Ressources minières Radisson Inc.

### Opinion

We have audited the financial statements of Ressources minières Radisson Inc. (hereafter "the Company"), which comprise the balance sheets as at December 31, 2020 and 2019, and the statement of comprehensive loss, the statements of changes in equity and the statement of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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 (IFRS).

### 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 financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in annual management discussion.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained annual management discussion prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

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

Raymond Chabot Grant Thornton LLP

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Rouyn-Noranda  
April 26, 2021

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A119351

**RADISSON MINING RESSOURCES INC.**  
**Statements of Financial Position as at December 31, 2020 and 2019**  
**(in Canadian dollars)**

	December 31, 2020	December 31, 2019
	\$	\$
<b>Assets</b>		
Current:		
Cash and cash equivalents (Note 4)	11,284,150	8,511,616
Investment certificate guaranteed (Note 4)	3,641,431	-
Investments (Note 4)	-	175,050
Government taxes and mining taxes receivable	309,194	596,032
Other accounts receivable	1,190	1,190
Prepaid expenses	77,816	86,440
	<b>15,313,781</b>	<b>9,370,328</b>
Non-current:		
Investments (Note 4)	1,320,000	-
Property, plant and equipment	188,541	16,326
Prospecting and evaluation assets (Note 5)	26,199,290	16,057,681
	<b>43,021,612</b>	<b>25,444,335</b>
<b>Liabilities</b>		
Current:		
Accounts payable and accrued liabilities	523,653	669,625
Non-current:		
Deferred income tax (Note 6)	2,326,587	1,162,632
Other liability related to flow-through shares (Note 7)	4,524,101	1,871,873
	<b>7,374,341</b>	<b>3,704,130</b>
Equity:		
Share Capital (Note 8)	61,800,999	46,950,694
Reserves - Settlement under Equity	4,985,407	4,485,867
Warrants (Note 8)	1,501,857	560,902
Deficit	<b>(32,640,992)</b>	<b>(30,257,258)</b>
	<b>35,647,271</b>	<b>21,740,205</b>
	<b>43,021,612</b>	<b>25,444,335</b>

The accompanying notes are an integral part of the financial statements.

The financial statements have been approved and authorized for publication by the Board of Directors on April 26, 2021.

(s) *Rahul Paul*  
*Rahul Paul*  
 President & Interim CEO

(s) *Hubert Parent Bouchard*  
 Hubert Parent Bouchard  
 Chief Financial Officer

**RADISSON MINING RESSOURCES INC.**  
**Statements of Comprehensive Loss**  
**For the year ended December 31, 2020 and 2019**  
**(in Canadian dollars)**

	2020	2019
	\$	\$
Revenues:		
Interest income	53,314	44,209
Administration costs:		
Salaries and employee benefits	164,364	110,432
Share-based compensation and payments	488,965	223,580
Experts and subcontractors	359,333	237,161
Professional fees	257,402	54,770
Travelling and promotion	128,055	175,172
Information to shareholders	37,664	57,246
Listings and registration fees	70,368	62,955
Office supplies	53,278	46,441
Insurance, taxes and licences	28,531	14,486
Interest and bank charges	4,676	1,124
Part XII.6 income tax	9,871	19,909
Telecommunications	13,092	4,023
Depreciation of property, plant and equipment	10,257	3,966
Maintenance of a mining site	16,951	5,324
Loss (increase) of value on investments	301,633	(112,950)
	<b>1,944,440</b>	<b>903,639</b>
Loss before income taxes	<b>(1,944,440)</b>	<b>(903,639)</b>
Deferred income taxes (Note 6)	<b>(492,608)</b>	<b>362,305</b>
<b>Comprehensive loss for the year</b>	<b>(2,383,734)</b>	<b>(497,125)</b>
Basic and diluted net loss per share (Note 9)	<b>(0.012)</b>	<b>(0.003)</b>

The accompanying notes are an integral part of the financial statements.

**RADISSON MINING RESSOURCES INC.**  
**Statements of Changes in Equity as December 31, 2020 and 2019**  
**(in Canadian dollars)**

	Share Capital	Reserves - Settlement under Equity	Warrants	Deficit	Total Equity
	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2019</b>	46,950,694	4,485,867	560,902	(30,257,258)	<b>21,740,205</b>
Common shares issuance	6,326,073	-	-	-	<b>6,326,073</b>
Share issuance acquisition of prospecting and evaluation assets	3,780,000	-	-	-	<b>3,780,000</b>
Flow-through shares issuance	5,047,938	-	-	-	<b>5,047,938</b>
Share issuance costs	(1,108,527)	-	113,000	-	<b>(995,527)</b>
Share-based compensation and payments	-	488,965	-	-	<b>488,965</b>
Warrant exercised	428,603	-	(66,600)	-	<b>362,003</b>
Warrants issued	-	-	974,448	-	<b>974,448</b>
Warrants expired	-	79,893	(79,893)	-	<b>-</b>
Options exercised	376,218	(69,318)	-	-	<b>306,900</b>
	61,800,999	4,985,407	1,501,857	(30,257,258)	<b>38,031,005</b>
Comprehensive loss for the year	-	-	-	(2,383,734)	<b>(2,383,734)</b>
<b>Balance as at December 31, 2020</b>	61,800,999	4,985,407	1,501,857	(32,640,992)	<b>35,647,271</b>

**RADISSON MINING RESSOURCES INC.**  
**Statements of Changes in Equity as December 31, 2020 and 2019**  
**(in Canadian dollars)**

	Share Capital	Reserves - Settlement under Equity	Warrants	Deficit	Total Equity
	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2018</b>	39,171,199	4,142,416	221,638	(29,760,133)	<b>13,775,120</b>
Common shares issuance	2,691,780	-	-	-	<b>2,691,780</b>
Flow-through shares issuance	5,783,860	-	-	-	<b>5,783,860</b>
Share issuance costs	(716,019)	-	66,789	-	<b>(649,230)</b>
Share-based compensation and payments	-	223,580	-	-	<b>223,580</b>
Warrant granted	-	-	402,220	-	<b>402,220</b>
Warrants expired	-	129,745	(129,745)	-	<b>-</b>
Options exercised	19,874	(9,874)	-	-	<b>10,000</b>
	46,950,694	4,485,867	560,902	(29,760,133)	<b>22,237,330</b>
Comprehensive loss for the year	-	-	-	(497,125)	<b>(497,125)</b>
<b>Balance as at December 31, 2019</b>	46,950,694	4,485,867	560,902	(30,257,258)	<b>21,740,205</b>



**RADISSON MINING RESSOURCES INC.**  
**Statements of cash flows**  
**For the year ended December 31, 2020 and 2019**  
**(in Canadian dollars)**

	2020	2019
	\$	\$
<b>Operating activities:</b>		
Comprehensive loss for the year	<b>(2,383,734)</b>	(497,125)
<b>Items not affecting cash:</b>		
Depreciation of property, plant and equipment	<b>10,257</b>	3,966
Share-based compensation and payments	<b>488,965</b>	223,580
Deferred taxes	<b>492,608</b>	(362,305)
Loss (increase) of value on investments	<b>301,633</b>	(112,950)
Net change in working capital items (Note 14)	<b>258,868</b>	(98,665)
Cash flow used to operating activities	<b>(831,403)</b>	(843,499)
<b>Investing activities:</b>		
Acquisition of investments	<b>(1,800,000)</b>	-
Disposal of investments	<b>353,417</b>	-
Acquisition of property, plant and equipment	<b>(182,472)</b>	(8,008)
Increase in prospecting and evaluation assets	<b>(6,470,986)</b>	(2,501,905)
Cash flow used to investing activities	<b>(8,100,041)</b>	(2,509,913)
<b>Financing activities:</b>		
Issuance of share capital and warrants and options exercised	<b>16,340,936</b>	11,010,000
Share issuance costs	<b>(995,527)</b>	(649,230)
Cash flow from financing activities	<b>15,345,409</b>	10,360,770
Cash flow from financing activities	<b>6,413,965</b>	7,007,358
Cash and cash equivalents, beginning of year	<b>2,273,512</b>	1,504,258
Cash and cash equivalents, beginning of year	<b>14,925,581</b>	8,511,616
Cash and cash equivalents are composed of:		
Cash and cash equivalents	<b>11,284,150</b>	8,511,616
Investment certificate guaranteed	<b>3,641,431</b>	-
	<b>14,925,581</b>	8,511,616

Additional information is presented at Note 14.

The accompanying notes are an integral part of the financial statements.

# **RADISSON MINING RESSOURCES INC.**

## **Notes to financial statements**

**December 31, 2020 and 2019**

**(in Canadian dollars)**

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### **1- Description of the business and going concern**

Radisson Mining Resources Inc. (the "Corporation"), incorporated under the Canada Business Corporations Act, is in the process of exploring mining properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Corporation's head office is located on 700, avenue Dallaire in Rouyn-Noranda, Province of Quebec, Canada, J9X 4V9. Its common shares are listed on TSX Venture Exchange under the symbol RDS.

Since its incorporation, the Corporation has accumulated a deficit of \$32,640,992 (2019, \$30,257,258) and during the year ended December 31, 2020, the Corporation recorded a net loss of \$2,383,734 (2019, \$497,125).

Besides the usual needs for working capital, the Corporation must obtain the funds permitting to fulfill its obligations and existing commitments for prospecting and evaluation programs and reserved amounts following flow-through financings. As at December 31, 2020, the Corporation had a positive working capital of \$14,790,128 (2019, \$8,700,703), which includes funds reserved for prospecting and evaluation for \$9,201,032 (2019, \$6,238,104). The Corporation believes that these existing funds will be sufficient to meet the obligations of the Corporation until December 31, 2021.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and payments of liabilities in the normal course of operations and do not reflect the adjustments to the carrying value of assets and liabilities, to recorded revenues and expenses and to the classification of items in the statements of financial position that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

### **2 - Basis of presentation and IFRS**

These financial statements have been prepared by the Corporation's management in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies described in Note 3 were consistently applied to all the periods presented unless otherwise noted.

### **3 - Significant accounting policies**

#### **(a) New and revised International Financial Reporting Standards, but not yet effective**

Certain new standards, interpretations, amendments and improvements to the existing standards are not yet effective and have not been applied in these financial statements. The corporation does not expect they will have any significant changes on its financial statements.

#### **(b) Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

##### **Currency conversion**

The financial statements of the Corporation are presented in Canadian dollars, which is the functional currency. Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the statement of comprehensive loss. Non-monetary items are not reconverted at year-end and are measured at historical cost (translated at the exchange rate at the date of the transaction) except for non-monetary items remeasured at fair value, which are converted at the foreign exchange rate in effect on the date the fair value was determined.

##### **Share-based compensation and payments**

The Corporation has a stock option plan under which options to acquire common shares of the Corporation may be granted to its directors, officers and employees. The plan does not feature any options for a cash settlement. Where employees are rewarded using share-based payments, the fair values of the equity instruments granted is evaluated using the Black & Scholes pricing model at the date of grant. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense in prior periods if share options ultimately exercised are different from the number initially estimated. Upon exercise of stock options, the amounts received and the amounts previously accounted to Reserves – Settlement under equity are recognized in share capital. When stock options are forfeited or expired, the relating amounts are kept to Reserves – Settlement under equity.

# **RADISSON MINING RESSOURCES INC.**

## **Notes to financial statements**

**December 31, 2020 and 2019**

**(in Canadian dollars)**

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### **3 - Significant accounting policies (continued)**

#### **(b) Accounting policies (continued)**

##### **Prospecting and evaluation expenditures, and prospecting and evaluation assets**

Prospecting and evaluation expenditures are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake prospecting and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake prospecting and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the prospecting and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as prospecting and evaluation assets. Expenses related to prospecting and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the prospecting and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 5); the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, prospecting and evaluation assets related to the mining property are transferred to property and equipment under the category Mining assets under construction. Before the reclassification, prospecting and evaluation assets are tested for impairment (see Note 5) and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Corporation has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of prospecting and development of such properties, these procedures do not guarantee the validity of the Corporation's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

##### **Disposal of interest in connection with option agreements**

On the disposal of interest in connection with option agreements, the Corporation does not recognize expenses related to the prospecting and evaluation performed on the property by the purchaser. In addition, the cash or the shares consideration received directly from the purchaser is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of prospecting and evaluation assets in profit or loss.

##### **Impairment of prospecting and evaluation assets and mining properties**

For the purposes of assessing impairment, assets are combined at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

- the right to explore the area has expired or will expire in the near future with no expectation of renewal;
- no further prospecting or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

# **RADISSON MINING RESSOURCES INC.**

## **Notes to financial statements**

**December 31, 2020 and 2019**

**(in Canadian dollars)**

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### **3 - Significant accounting policies (continued)**

#### **(b) Accounting policies (continued)**

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the prospecting and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

#### **Income taxes**

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. The Corporation does not record all or any deferred income tax assets if, based on available information, it is more likely than not that some or all of the deferred tax assets will not be realized.

#### **Basic and diluted loss per share**

Basic loss per share is calculated by dividing the earnings attributable to holders of common shares by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting earnings attributable to holders of common shares and the weighted average number of common shares outstanding, for the effects of all potential common shares. The calculation considers that potential common shares are deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. For the purpose of calculating its diluted loss per share, an entity assumes the exercise of dilutive options. The assumed proceeds from these instruments must be regarded as having been received from the issue of common shares at the average market price of common shares during the period.

#### **Cash and cash equivalents and funds reserved for prospection and evaluation**

Cash and cash equivalents comprise cash and temporary investments with original maturity dates of less than three months from the date of acquisition. Funds reserved for prospection and evaluation are included in cash and cash equivalents.

#### **Mining taxes and refundable tax credits**

The Corporation is entitled to a mining tax credit for mining exploration expenses incurred in Quebec. Furthermore, the Corporation is entitled to a refundable tax credit relating to resources on eligible expenses incurred in Quebec. Tax credits are applied against the costs of prospection and evaluation assets in relation with IAS 20, Accounting for government grants and disclosure of government assistance. These tax credits are recorded, provided that the Corporation is reasonably certain that these credits will be received.

#### **Property, plant and equipment**

Property, plant and equipment are recorded at cost less accumulated amortization and, where applicable, impairment losses. The cost less residual value is amortized over the estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual period of financial reporting and the impact of any change in estimates is recognized prospectively. Depreciation of equipment, other mining equipment and computer equipment is calculated using the diminishing balance method at a rate of 30%.

#### **Revenue Recognition**

Gains or losses resulting from the sale of investments are recognized in the statement of comprehensive loss when the security is sold. Interest income is recognized on the accrual basis. They are recorded based on the number of days the investment was held during the year.

# **RADISSON MINING RESSOURCES INC.**

## **Notes to financial statements**

**December 31, 2020 and 2019**

**(in Canadian dollars)**

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### **3 - Significant accounting policies (continued)**

#### **(b) Accounting policies (continued)**

##### **Provisions and contingent liabilities**

Provisions are recognized when present obligations resulting from a past event are likely to result in an outflow of economic resources of the Corporation and amounts can be reliably estimated. The timing or amount of the outflow may be uncertain. An actual obligation arises from the presence of a legal or constructive obligation that has resulted from past events, for example, legal disputes, property, plant and equipment retirement obligations and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

##### **Equity**

The share capital represents the amount received on share issuances, less issuance costs and deduction of any tax benefit. If the shares are issued as a result of the exercise of stock options or warrants, this item also includes the compensation expense previously recognized in Reserves - Settlement under Equity. Reserves include charges related to share-based compensation of options not exercised. Deficit includes all current and prior years' losses. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the agreement. The Warrants item includes the value of unexercised warrants. The value of the expired warrants is transferred to Reserves - Settlement under Equity.

##### **Warrants' fair value**

The proceeds of unit issuances are allocated to the shares and warrants in proportion of their fair value using the Black & Scholes valuation model to calculate the fair value of warrants.

##### **Flow-through placements**

Issuance of units flow-through shares represents in substance an issue of common shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants issued and other liabilities using the residual method. Proceeds are first allocated to shares according to the quoted price of shares at the time of issuance and then to warrants according to the fair value of the warrants at the time of issuance and the residual proceeds are allocated to other liabilities. The fair value of the warrants is estimated using the Black & Schles valuation model. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense. A deferred tax liability is also recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset and its tax basis.

##### **Financial instruments**

###### **Accounting and derecognition**

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs, if necessary.

# RADISSON MINING RESSOURCES INC.

## Notes to financial statements

December 31, 2020 and 2019

(in Canadian dollars)

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### 3 - Significant accounting policies (continued)

#### (b) Accounting policies (continued)

##### Financial instruments (continued)

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Under IFRS 9, the classification of financial instruments depends on the entity's business model and the cash flow characteristics of the financial asset or liability.

##### Classification and initial measurement of financial assets

Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Corporation does not have any financial assets categorised as fair value through other comprehensive income.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within Finance costs or Finance income.

##### Subsequent measurement of financial assets

###### Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation cash and cash equivalents, the investment certificate guaranteed and the other accounts receivable fall into this category of financial instruments.

###### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at fair value through profit or loss. Furthermore, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for a fair value through profit or loss.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

The investments are part of this financial instruments category.

##### Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses'.

Recognition of credit losses is not dependent on the Corporation first identifying a credit loss event. Instead the Corporation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the financial instrument.

# **RADISSON MINING RESSOURCES INC.**

## **Notes to financial statements**

**December 31, 2020 and 2019**

**(in Canadian dollars)**

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### **3 - Significant accounting policies (continued)**

#### **(b) Accounting policies (continued)**

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial asset.

#### **Classification and measurement of financial liabilities**

The Corporation's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

Interest charges and changes in fair value of an instrument accounted in profit or loss, if applicable, are reported within Finance costs or Finance income.

#### **Segmental reporting**

The Corporation presents and discloses segments information based on information that is regularly reviewed by the chief operating decision-makers, i.e. the president and chief executive officer and the board of directors. The Corporation has determined that there was only one operating segment being the sector of prospecting and evaluation of mineral resources.

#### **(c) Accounting estimates and critical judgments**

The preparation of financial statements requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and will rarely be identical to the estimated results. The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

#### **Share-based compensation and payments and fair value of warrants**

The estimation of share-based compensation costs and fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Corporation is the Black & Scholes model.

#### **Impairment of prospecting and evaluation assets**

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases (see Note 3(c)). When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. In assessing impairment, the Corporation must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Corporation's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

See Note 5 for the prospecting and evaluation assets impairment analysis.

No loss or reversal of impairment was recorded for the periods considered.

#### **Deferred tax liabilities and assets**

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on taxation rates (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Corporation expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities. This evaluation requires a great deal of judgment.

**RADISSON MINING RESSOURCES INC.**  
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**3 - Significant accounting policies (continued)**

**(c) Accounting estimates and critical judgments (continued)**

**Going concern**

In assessing whether the going concern assumption is appropriate, management takes into consideration all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management evaluates the need of cash for the future considering administrative expenses and obligations related to flow-through financings. The Corporation estimates to the best of its knowledge the future financing opportunities in order to satisfy itself that the going concern basis is appropriate.

**4 - Cash and cash equivalents and Investment certificate guaranteed and Investments**

	<b>December 31, 2020</b>	December 31, 2019
	\$	\$
Banking account bearing no interest	-	1,677
High interest banking account (0.70%; 2.20% December 31, 2019)	<b>1,284,150</b>	8,509,939
Investment certificate guaranteed, redeemable at any time, 0.80%, monthly automatic renewal	<b>10,000,000</b>	-
Cash and cash equivalents	<b>11,284,150</b>	8,511,616
Investments certificate guaranteed, non redeemable, 1.25%, expiring on May 14, 2021	<b>3,641,431</b>	-
Cash and cash equivalents, Investment certificate guaranteed and funds reserved <sup>(a)</sup>	<b>14,925,581</b>	8,511,616

(a) Cash and cash equivalents include \$ 9,201,032 (\$6,238,104 in 2019) of funds reserved for prospecting and evaluation (Note 10). Funds reserved for prospecting and evaluation represents unspent financing proceeds related to flow-through shares. According to the instructions imposed under this flow-through financing, the Corporation must dedicate these funds to the exploration of mining properties.

	<b>December 31, 2020</b>	December 31, 2019
	\$	\$
<b>Investments</b>		
260,000 shares of Balmoral Resources Ltd, a public company	-	124,800
150,000 shares of Galway Metals Inc., a public company	-	50,250
24,000,000 shares of Renforth Resources Ltd., a public company	<b>1,320,000</b>	-
	<b>1,320,000</b>	175,050



**RADISSON MINING RESSOURCES INC.**  
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**5 - Prospecting and evaluation assets**

	Balance December 31, 2019	Increase	Tax credits and mining taxes refundable	Balance December 31, 2020
QUEBEC	\$	\$	\$	\$
Mining properties:				
O'Brien	180,521	-	-	<b>180,521</b>
New Alger	-	4,280,000	-	<b>4,280,000</b>
	180,521	4,280,000	-	<b>4,460,521</b>
Deferred prospecting and evaluation expenditures:				
O'Brien	15,713,520	5,765,475	60 343	<b>21,539,338</b>
New Alger	-	35,791	-	<b>35,791</b>
Douay	163,640	-	-	<b>163,640</b>
	15,877,160	5,801,266	60 343	<b>21,738,769</b>
	16,057,681	10,081,266	60 343	<b>26,199,290</b>

	Balance December 31, 2018	Increase	Tax credits and mining taxes refundable	Balance December 31, 2019
QUEBEC	\$	\$	\$	\$
Mining properties:				
O'Brien	162,739	17,782	-	180,521
	162,739	17,782	-	180,521
Deferred prospecting and evaluation expenditures:				
O'Brien	13,433,491	2,569,421	(289,392)	15,713,520
Douay	163,640	-	-	163,640
	13,597,131	2,569,421	(289,392)	15,877,160
	13,759,870	2,569,421	(289,392)	16,057,681

**6 - Income taxes**

	December 31, 2020	December 31, 2019
	\$	\$
Deferred tax expenses recognized in the current year	<b>492,608</b>	(362 305)

The effective income tax rate of the Corporation differs from the combined federal and provincial income tax rate in Canada. This difference results from the following items:

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**6 - Income taxes (continued)**

	December 31, 2020	December 31, 2019
	\$	\$
Loss before income taxes	<b>(1,891,126)</b>	(859,430)
Income taxes at combined provincial and federal rate of 26.5% in 2020 and 26.6% in 2019	<b>(501,148)</b>	(228,608)
Increase (decrease) in income taxes resulting from :		
Difference between the deferred and statutory rates	-	636
Variation of unrecorded temporary differences	<b>(41,066)</b>	(135,003)
Tax effect of the issuance of flow-through shares	<b>1,525,489</b>	502,684
Reversal of other liabilities related to flow-through shares	<b>(671,347)</b>	(417,517)
Share-based compensation and payments	<b>129,576</b>	59,472
Adjustment of previous years	<b>6,190</b>	(148,444)
Non-deductible items and others	<b>44,914</b>	4,475
	<b>492,608</b>	(362,305)

Detail of the deferred income taxes in the statement of earnings

	December 31, 2020	December 31, 2019
	\$	\$
Inception and reversal of temporary differences	<b>(320,468)</b>	(313,105)
Tax effect of the issuance of flow-through shares	<b>1,525,489</b>	502,684
Reversal of other liabilities related to flow-through shares	<b>(671,347)</b>	(417,517)
Difference between the deferred and statutory rates	-	636
Variation of unrecorded temporary differences	<b>(41,066)</b>	(135,003)
	<b>492,608</b>	(362,305)

Changes in deferred taxes in 2020

	Balance December 31, 2019	Recognized in comprehensive loss	Share Capital	Balance December 31, 2020
	\$	\$	\$	\$
Prospecting and evaluation assets	(3,479,266)	(1,582,576)	-	<b>(5,061,842)</b>
Exploration tax credits receivable	(37,623)	37,623	-	-
Investments	-	63,600	-	<b>63,600</b>
Non-capital losses	2,354,257	317,398	-	<b>2,671,655</b>
	<b>(1,162,632)</b>	<b>(1,163,955)</b>	-	<b>(2,326,587)</b>
Reversal of other liabilities related to flow-through shares		671,347		
Variation of future income taxes in the statement of earnings		<b>(492,608)</b>		

**RADISSON MINING RESSOURCES INC.**  
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**6 - Income taxes (continued)**

As at December 31, 2020, the Corporation had the following temporary differences for which no deferred tax asset has been recognized:

	Federal	Quebec
	\$	\$
Share issuance costs	1,228,960	1,228,960
Fixed assets	381,300	381,300
	<b>1,610,260</b>	<b>1,610,260</b>

The Corporation has capital losses of \$252,038 (\$459,372 in 2019) for which no deferred tax asset has been recognized. These capital losses are carried forward indefinitely.

The Corporation has investment tax credit carryovers of \$1,040 (\$1,040 in 2019), that are not recognized. These credits are available to reduce federal income tax in future years and expire in 2033.

Changes in deferred taxes in 2019

	Balance December 31, 2018	Recognized in comprehensive loss	Share Capital	Balance December 31, 2019
	\$	\$	\$	\$
Prospecting and evaluation assets	(2,970,531)	(508,735)	-	(3,479,266)
Exploration tax credits receivable	(8,618)	(29,005)	-	(37,623)
Non-capital losses	1,871,729	482,528	-	2,354,257
	(1,107,420)	(55,212)	-	(1,162,632)
Reversal of other liabilities related to flow-through shares		417,517		
Variation of future income taxes in the statement of earnings		362,305		

**7 - Other liability related to flow-through shares**

	December 31, 2020	December 31, 2019
	\$	\$
Balance, beginning of year	1,871,873	167,250
Increase of the year	3,323,575	2,122,140
Decrease related to eligible exploration expenses incurred (Note 6)	(671,347)	(417,517)
Balance, end of year	<b>4,524,101</b>	1,871,873

**RADISSON MINING RESSOURCES INC.**  
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**8 - Share Capital**

Authorized:

Unlimited number of class A shares, voting and participating, no par value;

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1% and 5%, non-participating, non-voting, redeemable at the option of the Corporation for an amount equal to the price paid plus any dividend declared and unpaid, no par value.

Movements in class A shares (common shares) of the Corporation are as follows:

	December 31, 2020		December 31, 2019	
	Class A shares	Amount	Class A shares	Amount
		\$		\$
Issued and paid				
Balance, beginning of year	189,645,570	46,950,694	137,029,250	39,171,199
Paid in cash <sup>(1)</sup>	22,409,755	6,326,073	20,626,666	2,691,780
Acquisition of prospecting and evaluation <sup>(2)</sup>	12,000,000	3,780,000	-	-
Flow-through shares <sup>(3)</sup>	16,541,475	5,047,938	31,889,654	5,783,860
Share issuance costs	-	(1,108,527)	-	(716,019)
Options exercised <sup>(3)</sup>	2,034,074	376,218	100,000	19,874
Warrants <sup>(4)</sup>	1,800,016	428,603	-	-
Balance, end of year	244,430,890	61,800,999	189,645,570	46,950,694

<sup>(1)</sup> Class A common shares

- In July 2020, the Corporation issued 4,762,655 shares at \$0.20 per share for a total amount of \$952,531.
- In November 2020, the Corporation issued 17,647,100 units at \$0.34 per unit for a total amount of \$6,000,014. Each unit is composed of one common share and 1/2 warrant. This results in the issuance of 8,823,500 warrants for a fair value of \$626,472. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.51 for a period of 18 months.

<sup>(2)</sup> Acquisition of prospecting and evaluation assets

- In August 2020, the Company acquired the New Alger property for a cash payment of \$500,000 and 12,000,000 shares at \$0.315 per share for a total of \$3,780,000.

<sup>(3)</sup> Flow-through shares

- In July 2020, the Corporation issued 4,274,775, flow-through shares at \$0.362 per share for a total amount of \$1,547,469 (fair value of \$1,367,928). An amount of \$179,541 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In November 2020, the Corporation issued 1,880,000, flow-through shares at \$0.50 per share for a total amount of \$940,000 (fair value of \$564,000). An amount of \$376,000 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In November 2020, the Corporation issued 10,386,700 charity flow-through units at \$0.60 per unit for a total amount of \$6,232,020. Each unit is composed of one common share and 1/2 warrant. This results in the issuance of 5,193,350 warrants for a fair value of \$347,976. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.51 for a period of 18 months. An amount of \$2,768,034 is accounted as "Other liability related to flow-through shares" (refer to Note 7).

**RADISSON MINING RESSOURCES INC.**  
**Notes to financial statements**  
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**8 - Share Capital (continued)**

<sup>(4)</sup> Options

- In June 2020, 300,000 options were exercised for a total amount of \$39,000. An amount of \$16,200 was recorded as an increase in the share capital from the Reserves - Settlement under Equity
- In August 2020, 1,734,074 options were exercised for a total amount of \$267,900. An amount of \$53,119 was recorded as an increase in the share capital from the Reserve - Settlement under Equity.

<sup>(4)</sup> Brokers Warrants

- In January 2020, 400,000 warrants to purchase shares were exercised by a financial institution for a total of \$68,000. An amount of \$12,000 was recorded as an increase in share capital resulting from the value of the warrants on the statement of financial position.
- In July 2020, 566,682 share purchase warrants were exercised for a total of \$119,003. An amount of \$22,100 has been recorded as an increase in share capital resulting from the value of the warrants on the statement of financial position.
- In September 2020, 833,334 warrants to purchase shares were exercised for a total of \$175,000. An amount of \$32,500 has been recorded as an increase in share capital resulting from the value of the warrants on the statement of financial position.
- Following funding of the year, 1,591,508 brokers warrants were issued and an amount of \$112,997 was recorded in share issue costs.

For the year ended December 31, 2019:

<sup>(1)</sup> Class A common shares

- In August 2019, the Corporation issued 20,626,666 units at \$0.15 per unit for a total amount of \$3,094,000. Each unit is composed of one common share and ½ warrant. This results in the issuance of 10,313,333 warrants for a fair value of \$402,220. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.21 for a period of 24 months.
- 

<sup>(3)</sup> Flow-through shares

- In August 2019, the Corporation issued 3,030,200, flow-through shares at \$0.165 per share for a total amount of \$499,983 (fair value of \$499,983).
- In August 2019, the Corporation issued 11,457,224, flow-through shares at \$0.21 per share for a total amount of \$2,406,017 (fair value of \$1,890,442). An amount of \$515,575 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In December 2019, the Corporation issued 4,011,000, flow-through shares at \$0.255 per share for a total amount of \$1,022,805 (fair value of \$782,145). An amount of \$240,660 is accounted as "Other liability related to flow-through shares" (refer to Note 7).
- In December 2019, the Corporation issued 13,391,230, flow-through shares at \$0.297 per share for a total amount of \$3,977,195 (fair value of \$2,611,290). An amount of \$1,365,905 is accounted as "Other liability related to flow-through shares" (refer to Note 7).

<sup>(4)</sup> Options

- In June 2019, 50,000 options were exercised for a total amount of \$5,000. An amount of \$4,364 was recorded as an increase in the share capital from the Reserves - settlement under Equity.
- In November 2019, 50,000 options were exercised for a total amount of \$5,000. An amount of \$5,510 was recorded as an increase in the share capital from the Reserves - Settlement under Equity.

<sup>(5)</sup> Brokers warrants

- Following funding of the year, 1,699,569 brokers warrants were issued and an amount of \$66,789 was recorded in share issue costs.

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**8 - Share Capital (continued)**

a) Shareholder protection Rights Plan

The Board of Directors of the Corporation has adopted a shareholder protection rights plan (the "Rights Plan") effective since February 2, 2009.

The Rights Plan was adopted to ensure fair treatment of shareholders of the Corporation in connection with any takeover bid for outstanding class A shares of the Corporation. The Rights Plan will provide the Board of Directors of the Corporation (the Board) and the shareholders with more time to consider any unsolicited take-over bid. The Rights Plan is intended to discourage coercive or unfair takeover bids. It also allows additional time to the Board to pursue opportunities to maximize shareholders' value. The Rights Plan is not designed to prevent unfair takeover bids towards the shareholders of Radisson.

The Rights Plan was not adopted due to, or in anticipation of a specific proposal to take control of the Corporation. The TSX Venture Exchange has approved the scheme of protection contingent upon its ratification and confirmation by the shareholders within six months following the date of entry into force of the Plan. The Corporation has complied to this requirement since the shareholders approved the Rights plan at the annual general meeting held June 26, 2009. The Rights plan ended at the third annual meeting of shareholders following the entry into force. The Corporation has extended the rights plan at its annual meeting of shareholders in 2020, for a indefinite period.

Under the terms of the Rights Plan, any proposal that meets certain criteria intended to protect the interests of all shareholders is considered a "Permitted Bid". A "Permitted Bid" must be made from a circular bid prepared by the securities laws in force and, in addition to certain other conditions must be valid for a period of at least 60 days. If at the end of 60 days, at least 50% of the class A shares, other than those held by the offeror and certain related parties have been offered, the offeror may take delivery of the securities offered and pay the price. It must also extend the offer of 10 days to allow other shareholders to submit their shares.

The rights issued under the Rights Plan will become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the outstanding class A shares of Radisson without complying with the "Permitted Bid" provisions of the Rights Plan or without approval of the Board. To the best of the knowledge of Radisson, no shareholder or related group holds, directly or indirectly, 20% or more of the class A shares of the Corporation. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the Rights Plan will entitle shareholders to purchase additional class A shares of Radisson at a significant discount to the market price at that time.

b) Class A stock options:

On April 20, 2020, the Company obtained from the TSX Venture Exchange the approval of an amendment to the fixed price stock option plan in favor of the directors, officers, employees and consultants of the Company. (the "Option Plan"). A number of 18 million Class A shares have been reserved for possible issuance under the option plan. The exercise price of each option corresponds to the price of the Company's shares on the date of the grant of the options and the maximum term of a new option is 5 years. Unless the Board of Directors decides otherwise, options granted under the Option Plan vest immediately.

A summary of the situation as at December 31, 2020 and December 31, 2019 is presented below:

Options :

	December 31, 2020		December 31, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Outstanding at beginning of the year	8,900,000	0.139	4,035,000	0.132
Granted	4,075,000	0.237	5,165,000	0.142
Expired and cancelled	-	-	(200,000)	0.100
Exercised	(2,034,074)	0.150	(100,000)	0.100
Outstanding at the end of the year	10,940,926	0.173	8,900,000	0.139
Options exercisable at the end of the year	10,940,926	0.173	8 365 000	0.137

The average share price at the date of exercise of the options exercised was \$0.287 (\$0.16 at December 31, 2019).

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**8 - Share Capital (continued)**

The following table summarizes the information relating to the stock options as at December 31, 2020:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	\$	(years)	
300,000	0.100	2.82	300,000
250,000	0.105	3.19	250,000
840,000	0.110	1.53	840,000
770,000	0.165	1.42	770,000
200,000	0.120	2.61	200,000
1,300,000	0.125	2.44	1,300,000
2,225,000	0.135	3.45	2,225,000
605,000	0.140	0.47	605,000
500,000	0.150	2.15	500,000
50,000	0.170	4.32	50,000
700,000	0.200	3.84	700,000
2,675,000	0.255	4.45	2,675,000
525,926	0.270	4.89	525,926
10,940,926			10,940,926

The following table summarizes the information relating to the stock options as at December 31, 2019:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	\$	(years)	
300,000	0.130	0.43	300 000
745,000	0.140	1.47	745 000
790,000	0.165	2.42	790 000
840,000	0.110	2.53	655 000
1,250,000	0.150	2.75	1 250 000
1,300,000	0.125	3.44	1 300 000
200,000	0.120	3.61	200 000
300,000	0.100	3.82	300 000
250,000	0.105	4.19	250 000
2,225,000	0.135	4.45	2 225 000
700,000	0.200	4.84	350 000
8,900,000			8 365 000

During the year ended December 31, 2020, the Corporation granted 2,775,000 (2019, 2,975,000) options to directors and officers, 550,000 options to employees (2019, 200,000) and 750,000 options to a consultant (2019, 1,990,000). An amount of \$488,965 (2019, \$223,580) has been charged to earnings. During the same period, any options expired (2019, 200,000).

The following table presents the weighted average fair value at grant date and the weighted average assumptions used to determine the share-based compensation and payments expense using the Black & Scholes option pricing model:

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**8 - Share Capital (continued)**

	Year ended December 31, 2020	Year ended December 31, 2019
Share-based compensation and payments	<b>\$488,965</b>	\$223,580
Average exercise price	<b>\$0.237</b>	\$0.142
Average price of the share	<b>\$0.219</b>	\$0.130
Expected volatility <sup>(1)</sup>	<b>55%</b>	49%
Risk-free interest rate	<b>0.74%</b>	1.49%
Risk-free interest rate	<b>0%</b>	0%
Estimated duration	<b>4.6 years</b>	5 years
Weighted average fair value at grant date	<b>\$0.11</b>	0,05 \$

<sup>(1)</sup> The expected volatility is based on historic volatility of the stock price of the Corporation and the expected average duration of the options.

c) Warrants

	December 31, 2020		December 31, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Outstanding at beginning of the year	<b>15,075,998</b>	<b>0.20</b>	12,578,110	0.21
Granted	<b>15,608,408</b>	<b>0.51</b>	12,012,903	0.21
Exercised	<b>(1,800,016)</b>	<b>0.20</b>	-	-
Expired	<b>(2,663,095)</b>	<b>0.17</b>	(9,515,015)	0.22
Outstanding at the end of the year	<b>26,221,295</b>	<b>0.39</b>	15,075,998	0.20

As at December 31, 2020, there were 26,221,295 warrants outstanding, which were as follows:

Outstanding	Exercise price	Expiration date
	\$	
10,105,945	0.210	August 2021
154,558	0.255	June 2021
352,384	0.297	June 2021
15,608,408	0.510	May 2022
<b>26,221,295</b>		

As at December 31, 2019, there were 15,075,998 warrants outstanding, which were as follows:

Outstanding	Exercise price	Expiration date
	\$	
3,063,095	0.170	February 2020
11,505,961	0.210	August 2021
154,558	0.255	June 2021
352,384	0.297	June 2021
<b>15,075,998</b>		



**RADISSON MINING RESSOURCES INC.**  
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**8 - Share Capital (continued)**

The following table presents the weighted average assumptions used to determine the fair value of warrants granted using the Black & Scholes model:

	Year ended December 31, 2020	Year ended December 31, 2019
Warrants value	<b>\$1,087,448</b>	\$469,009
Average exercise price	<b>\$0.51</b>	\$0.21
Average price of the share	<b>\$0.07</b>	\$0.15
Expected volatility <sup>(1)</sup>	<b>73.3%</b>	65.8%
Risk-free interest rate	<b>0.24%</b>	1.38%
Expected dividend rate	<b>0%</b>	0%
Estimated duration	<b>2 years</b>	2 years

<sup>(1)</sup> The expected volatility is based on historic volatility of the stock price of the Corporation and the expected average life of the warrants.

**9 - Basic and diluted loss per share**

	December 31, 2020	December 31, 2019
Net loss of the year	<b>(\$2,383,734)</b>	(\$497,125)
Weighted average outstanding shares	<b>201,627,059</b>	143,625,092
Net loss per share	<b>(\$0.012)</b>	(\$0.003)

The diluted loss per share equals the basic loss per share as options and warrants are antidilutive.

**10 - Funds reserved for prospecting and evaluation**

	December 31, 2020	December 31, 2019
	<b>\$</b>	<b>\$</b>
Funds reserved for prospecting and evaluation at the beginning of the year	<b>6,238,104</b>	-
Funds obtained from flow-through financing during the year	<b>8,719,488</b>	7,906,000
Less: Deferred prospecting and evaluation expenditures related to flow-through shares financings of the year	<b>(5,756,560)</b>	(1,667,896)
Required funds reserved for prospecting and evaluation	<b>9,201,032</b>	6,238,104

The Corporation issues flow-through shares to fund its evaluation and prospecting expenditures. These shares require the Corporation to spend the obtained funds in eligible exploration expenses.

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**11 - Employee Benefits Charge**

The employee benefits charge is analyzed as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Salaries and benefits	598,521	432,079
Share-based payments	488,965	223,580
	<b>1,087,486</b>	655,659
Less: Capitalized wages for prospecting and evaluation assets	434,157	321,647
Employee Benefits Charge	<b>653,329</b>	334,012

**12- Information on Related Parties**

**Related party transactions**

During 2020, the Corporation incurred the following transactions with key management and officers of the Corporation, companies owned by directors and with a related party of the president and chief executive officer.

	December 31, 2020	December 31, 2019
	\$	\$
Office rental	32,040	31,620
Office expenses	2,834	5,368
Prospecting and evaluation assets	19,906	36,255
	<b>54,780</b>	73,243

The above transactions occurred within the normal course of business and are measured at the exchange value, which is the amount of consideration established and agreed by the related parties. As at December 31, 2020 and 2019, there is no balance payable relating to these transactions.

**Compensation of key management personnel**

The remuneration paid or payable to key management (president, vice-president and chief of financial operations, financial manager and directors) was as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Salaries and employee benefits	161,864	103,436
Experts and subcontractors included in prospecting expenses	-	1,695
Experts and subcontractors	315,800	138,370
Meeting attendance fee	14,500	8,000
Share-based compensation	385,025	160,750
	<b>877,189</b>	412,251

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**13 - Commitments**

O'Brien Property:

On March 15, 1999, a purchase and sale agreement was signed by the Corporation, Breakwater Resources and 3064077 Canada Inc., a subsidiary of Breakwater Resources Inc., for the purchase by the Corporation of the O'Brien and Kewagama properties (now combined under the name O'Brien). By this agreement, the Corporation has acquired all rights in these properties including all the infrastructures on site.

The Corporation agreed to pay \$1,000,000 in cash upon starting commercial production, less the costs that could be incurred to restore the tailing ponds. A 2% royalty on net smelter return is payable to a third party in the event of commercial production of the Kewagama property.

**14 - Other information**

	December 31, 2020	December 31, 2019
	\$	\$
Net change in working capital items:		
Government taxes receivable and mining taxes receivable	226,495	(135,396)
Prepaid expenses	8,624	(19,773)
Accounts payable and accrued liabilities	23,749	56,504
	<b>258,868</b>	<b>(98,665)</b>

	December 31, 2020	December 31, 2019
	\$	\$
Non-cash investing activities:		
Issue of shares in exchange for prospecting and evaluation assets	3,780,000	-
Prospecting and evaluation expenses included in accounts payable and accrued liabilities	260,387	430,107
Tax credits and duties relating to prospecting expenses	60,343	293,782
Sahre issue costs in borkers warrants	113,000	66,789
Value attributed to the options upon their issuance transferred to the share capital upon the exercise of the options	69,318	9,874
Value attributed to the warrants upon their issuance transferred to the share capital upon the exercise of the warrants	66,600	-

The amount of interest received related to operating activities is of \$53,314 (\$44,209 in 2019).

**15 - Objectives and policies regarding risk on financial instruments**

a) The activities of the Corporation are exposed to different risks relating to financial instruments: interest rate risk, currency risk, credit risk, liquidity risk and the other price risk.

i) Interest rate risk:

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates.

As at December 31, 2020, the following financial assets were at fixed interest rates:

– High interest banking account and investment certificates guaranteed.

Interest rate movements may affect the fair value of the fixed interest financial assets. Because these financial assets are recognized at amortized cost, the fair value variation has no impact on profit or loss.

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**15 - Objectives and policies regarding risk on financial instruments (continued)**

ii) Currency risk

The majority of the Corporation transactions are in Canadian dollars. Currency risk results from the Corporation purchases denominated in foreign currency which are primarily in U.S. dollars.

As at December, 2020, the Corporation is exposed to currency risk due to cash denominated in U.S. dollars totalling \$7,850 (\$6,166 US) (\$1,677; \$845 US as at December 31, 2019)

The Corporation does not enter into contracts to hedge the currency risk to which it is exposed.

iii) Credit risk

The credit risk is the risk that a party of a financial instrument fails to fulfill its obligations and thus leads the other party to incur a financial loss. Cash and cash equivalents and investment certificate guaranteed are the main financial instruments of the Corporation which are potentially subject to credit risk. Moreover, the credit risk for cash and cash equivalents and investment certificate guaranteed is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

iv) Liquidity risk

The liquidity risk is the risk that an entity will have difficulty to respect obligations associated with financial liabilities. The Corporation manages its cash balance and cash flows in order to respect its obligations. The issuance of contractual financial liabilities is less than one year. Refer to Note 1 for more details on the liquidity risk.

v) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Corporation.

The Corporation currently holds investments in two companies that are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets. Equity investments are valued at fair value using quoted market price which is currently \$1,320,000 (2019, \$175,050).

As at December 31, 2020, had the published price of these securities increased (decreased) by 38% (18% in 2019), comprehensive income and shareholders' equity for the year would have increased (decreased) by \$495,000 (2019, \$32,238).

b) Fair value

The estimated fair value is established on the statement of financial position date based on relevant market information and other reference on financial instruments.

The fair value of cash and cash equivalents, investment certificate guaranteed, other accounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term maturity.

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

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**15 - Objectives and policies regarding risk on financial instruments (continued)**

The investments are the only financial instruments recorded at fair value in the statement of financial position and they are classified at Level 1.

During the years ended December 31, 2020 and December 31, 2019, there was no transfer of amounts between level 1 and 2.

**16- Capital disclosures**

The Corporation's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to maintain a sufficient level of funds, to support continued evaluation and maintenance at the Corporation's existing properties, and to acquire, explore, and develop other precious and base metal deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, in order to minimize the risk of loss of principal;
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Corporation includes shareholders' equity in the definition of capital. The Corporation is not exposed to externally imposed capital requirements. The Corporation manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets, especially with respect to exploration results on properties in which the Corporation has an interest. In order to facilitate the management of capital and development of its mining properties, the Corporation prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Corporation's Board of Directors. In addition, the Corporation may issue new equity, incur additional debt, option its mining properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Corporation's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Corporation does not pay dividends. Notwithstanding the risks described in Note 1, the Corporation expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

**17 - Eventualities**

**Exclusive right of first offer for a gold flow financing to the O'Brien project**

Next to a subscription of 5,000,000 units, the Corporation granted to a European entity (the "Subscriber") an exclusive right of first refusal over any gold flow financing which could be put in place by the Corporation for underground exploration, bulk sampling or the production start of the O'Brien project which is held by the Corporation for 100%. There is no obligation for the Corporation to finance its project by gold flow financing.

**Flow-through**

The Corporation is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Corporation is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Corporation has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Corporation's exploration expenses will qualify as Canadian exploration expenses, even if the Corporation is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.