INTERCONTINENTAL GOLD AND METALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Intercontinental Gold and Metals Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Intercontinental Gold and Metals Ltd.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at March 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash (note 3)	**$ 380,049**	$ 288,586
Receivables (note 4)	**719,295**	1,008,467
Inventory (note 5)	**821,473**	777,916
Prepaid expenses and advances (note 6)	**732,930**	557,855
Total current assets	**2,653,747**	2,632,824
Non-current assets		
Equipment (note 7)	**174,024**	119,920
Total assets	**$ 2,827,771**	$ 2,752,744
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (notes 9 and 14)	**$ 957,421**	$ 848,953
Income tax payable	**414,309**	420,520
Loan payable (note 11)	**628,750**	754,838
Total current liabilities	**2,000,480**	2,024,311
Non-current liabilities		
Promissory notes (note 10)	**4,762,187**	4,697,980
Contingent consideration (note 8)	**389,824**	394,691
Total liabilities	**7,152,491**	7,116,982
Shareholders' deficiency		
Share capital (note 12)	**33,814,056**	33,615,962
Reserves (note 13)	**5,112,195**	4,974,220
Accumulated other comprehensive income	**289,559**	106,745
Deficit	**(43,540,530)**	(43,061,165)
Total shareholders' deficiency	**(4,324,720)**	(4,364,238)
Total liabilities and shareholders' deficiency	**$ 2,827,771**	$ 2,752,744

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.
Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Gorden Glenn", Director

"John Anderson", Director

Intercontinental Gold and Metals Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Income (loss)
(Expressed in Canadian Dollars)
Unaudited

	Three months ended March 31, 2021	Three months Year ended March 31, 2020
Revenue	**$ 2,703,217**	$ 91,945,139
Cost of sales	**2,649,647**	91,452,855
	53,570	492,284
Operating expenses		
Accounting and audit	**31,155**	166,228
Consulting fees (note 14(b))	**44,706**	182,522
Director fees (note 14(b))	**-**	8,000
Business development	**4,227**	14,488
Shareholder information and investor relations	**2,544**	583
Legal (note 14(a))	**3,220**	1,980
Office and miscellaneous	**225,677**	177,528
Depreciation (note 7)	**6,426**	27,281
Transfer agent and regulatory fees	**7,251**	5,486
	(325,206)	(584,096)
Impairment of equipment (note 7)	**-**	-
Foreign exchange gain (loss)	**53,891**	(14,315)
Accretion on promissory note (note 10)	**(64,207)**	(53,700)
Interest expense on promissory notes (note 10)	**(142,816)**	(144,403)
Interest expense on loan payable (note 11)	**(38,684)**	(21,235)
Loss on settlement of debt	**(15,913)**	-
Other income	**-**	2,999
Loss before income taxes	**(479,365)**	(322,466)
Income tax expense	**-**	(33,854)
Net loss for the period	**$ (479,365)**	$ (356,320)
Other comprehensive income		
Foreign currency translation adjustment	**$ 182,814**	$ 362,861
Total comprehensive income (loss) for the period	**$ (296,551)**	$ 6,541
Basic and diluted net loss per share	**$ (0.03)**	$ (0.02)
Weighted average number of common shares outstanding (basic and diluted)	**18,756,806**	18,022,000

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

Intercontinental Gold and Metals Ltd.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

Three months ended March 31,	2021	2020
Operating activities		
Net loss	**$ (479,365)**	$ (356,320)
Adjustments for:		
Depreciation expense	**19,545**	60,026
Loss on settlement of debt	**15,913**	-
Accretion on promissory notes	**64,207**	53,700
Accrued interest expense	**142,816**	144,403
Foreign exchange	**(4,867)**	108,409
Interest expense on loan payable	**38,684**	21,235
Changes in non-cash working capital items:		
Receivables	**289,172**	(5,605,822)
Prepaid expenses and advances	**(175,075)**	(567,665)
Inventory	**(43,557)**	2,939,446
Accounts payable and accrued liabilities	**26,959**	8,520,242
Customer deposits	**-**	(2,387,813)
Income tax payable	**(6,211)**	94,337
Net cash (usedin) provided by operating activities	**(111,779)**	3,024,178
Investing activities		
Acquisition of equipment	**(75,958)**	(6,976)
Payment of contingent consideration	**-**	(129,865)
Net cash used in investing activities	**(75,958)**	(136,841)
Financing activities		
Proceeds from private placement	**258,849**	-
Exercise of broker warrants	**-**	9,450
Payment of interest expense on promissory notes	**(164,772)**	(3,750)
Net cash provided by financing activities	**94,077**	5,700
Impact of foreign exchange on cash balance	**185,123**	314,478
Net change in cash	**91,463**	3,207,515
Cash, beginning of period	**288,586**	1,069,573
Cash, end of period	**$ 380,049**	$ 4,277,088

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

Intercontinental Gold and Metals Ltd.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
Unaudited

	Share Capital		Reserves				
	Number of shares	Amount	Warrants	Share-based compensation reserve	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2019	**18,040,000**	**$ 33,590,437**	**$ 203,675**	**$ 4,786,620**	**$ 3,397**	**$(39,951,276)**	**$ (1,367,147)**
Shares issued upon exercise of broker warrants	47,250	9,450	-	-	-	-	9,450
Reclassification of fair value of broker warrants exercised	-	16,075	(16,075)	-	-	-	-
Foreign exchange translation adjustments	-	-	-	-	362,861	-	362,861
Net loss for the period	-	-	-	-	-	(356,320)	(356,320)
Balance, March 31, 2020	**18,087,250**	**$ 33,615,962**	**$ 187,600**	**$ 4,786,620**	**$ 366,258**	**$(40,307,596)**	**$ (1,351,156)**

Balance, December 31, 2019	**18,087,250**	**$ 33,615,962**	**$ 187,600**	**$ 4,786,620**	**$ 106,745**	**$(43,061,165)**	**$ (4,364,238)**
Shares and warrants issued in private placements (note 12)	2,622,000	225,933	128,037	-	-	-	353,970
Share issue costs (note 12)	-	(17,901)	-	-	-	-	(17,901)
Broker warrants issued in private placement (note 13)	-	(9,938)	9,938	-	-	-	-
Foreign exchange translation adjustments	-	-	-	-	182,814	-	182,814
Net loss for the period	-	-	-	-	-	(479,365)	(479,365)
Balance, March 31, 2021	**20,709,250**	**$ 33,814,056**	**$ 325,575**	**$ 4,786,620**	**$ 289,559**	**$(43,540,530)**	**$ (4,324,720)**

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

1. Nature of operations and going concern

Intercontinental Gold and Metals Ltd. (the "Company" or ICAU), was incorporated under the British Columbia Business Corporations Act and continued under the Business Corporations Act (Ontario) on October 30, 2017. The Company's head office is located at 217 Queen Street, Suite 401, Toronto, Ontario, M5V 0R2 and it is listed on the TSX-Venture ("TSXV") and Frankfurt exchanges under the symbol ICAU.

On August 10, 2017, the Company completed the acquisition (the "Acquisition") of all the outstanding shares of Goldway S.R.L. ("Goldway") in exchange for (i) the issuance by the Company to Goldway's shareholders of a total of 5,000,000 common shares; (ii) US$100,000, payable in cash and (iii) US$500,000 deferred contingent cash consideration pursuant to a share exchange agreement (the "Share Exchange Agreement"). As a result of the Acquisition, Goldway has become a wholly-owned subsidiary of the Company, and will continue to be active in the gold and metals trading business in Bolivia. With the completion of the Acquisition, the Company restructured into a revenue generating, gold and metals trading business.

During the period ended March 31, 2021, the Company incurred a loss of $479,365 (three months ended March 31, 2020: $356,320) and as at March 31, 2021, the Company has working capital of $653,267 (December 31, 2020 – $608,513) and an accumulated deficit of $43,540,530 (December 31, 2020 – $43,061,165). The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There is no assurance that these funds will be available on terms acceptable to the Company or at all. These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 31, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

New accounting standard not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

3. Cash

	March 31, 2021	**December 31, 2020**
Cash	**$ 373,356**	$ 288,252
Cash held in trust account	**6,693**	334
	$ 380,049	$ 288,586

4. Receivables

	March 31, 2021	**December 31, 2020**
HST receivable	**$ 61,896**	$ 61,896
Other receivable	**431,268**	665,788
Value added taxes receivable	**226,131**	280,783
	$ 719,295	$ 1,008,467

(Expressed in Canadian Dollars)

5. Inventory

As at March 31, 2021, the Company's inventory consists of gold in saleable form of dore and bullion bars, zinc ore, concentrates stockpiles and supplies associated with concentrate handling. During the period ended March 31, 2021, the Company recorded cost of sales totalling $2,649,647 (three months ended March 31, 2020 - $91,452,855). The break-down of inventory is as follows:

	March 31, 2021	December 31, 2020
Gold	**$ -**	$ 443,061
Ore and concentrates	**821,473**	334,855
	$ 821,473	$ 777,916

6. Prepaid expenses and advances

	March 31, 2021	December 31, 2020
Prepaid professional fees and office expenses	**$ 6,060**	$ 41,359
Advances for purchases of inventory	**726,870**	516,496
	$ 732,930	$ 557,855

7. Equipment

Cost	**Refinery Machines**	**Office Furniture & Equipment**	**Vehicle**	**Total**
Balance, December 31, 2020	$ 244,114	$ 111,734	$ -	$ 355,848
Additions	40,621	4,638	30,699	75,958
Foreign exchange	(4,213)	(1,776)	(237)	(6,226)
Balance, March 31, 2021	$ 280,522	$ 114,596	$ 30,462	$ 425,580

Accumulated depreciation	**Refinery Machines**	**Office Furniture & Equipment**	**Vehicle**	**Total**
Balance, December 31, 2020	$ 179,702	$ 56,226	$ -	$ 235,928
Depreciation	13,120	5,658	767	19,545
Foreign exchange	(2,970)	(941)	(6)	(3,917)
Balance, March 31, 2021	$ 189,852	$ 60,943	$ 761	$ 251,556

(Expressed in Canadian Dollars)

7. Equipment (continued)

Carrying value	Refinery Machines	Office Furniture & Equipment	Vehicle	Total
Balance, December 31, 2020	$ 64,412	$ 55,508	$ -	$ 119,920
Balance, March 31, 2021	$ 90,670	$ 53,653	$ 29,701	$ 174,024

During the three months ended March 31, 2021, depreciation on refining equipment of $13,120 (three months ended March 31, 2020 - $32,745) has been included in cost of sales.

8. Contingent consideration and goodwill

On August 9, 2017, the Company completed the acquisition of all of the outstanding shares of Goldway.

The Company was committed to cash payments of up to US$500,000 based on the achievement of certain operating earnings of which US$66,378 has been paid as at March 31, 2021 (December 31, 2020 - US$66,378).

The fair value of contingent consideration was estimated using an income approach based on unobservable cash flows and a probability-weighted average of the discounted future payments, and as a result is classified within Level 3 of the fair value hierarchy.

The Company's estimate of the fair value of contingent consideration on initial recognition is based on projected gold prices of US $1,600/oz to US$1,700/oz. The other key assumptions used in the fair value estimate include:

- Annual ounces of gold sold of 185,070 to 244,150;
- EBITDA margin of 0.5% to 1.5%;
- Probabilities of achieving certain levels of production; and
- A normalized risk-free rate of 3.5%

As at March 31, 2021, the estimated fair value of contingent consideration payable is $389,824 (December 31, 2020 - $394,691).

Goodwill arose from the acquisition comprised of assembled workforce, expected revenue growth, and future market development. These benefits were not recognized separately from goodwill as they do not meet the criteria for identifiable intangible assets. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes. During the year ended December 31, 2020, the Company wrote off the goodwill in the amount of $1,043,359 due to the temporary closure of Goldway operations due to Covid-19 and continued uncertainty on when market conditions will improve.

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	March 31, 2021	**December 31, 2020**
Accounts payable	**$ 289,270**	$ 346,937
Accrued liabilities	**668,151**	502,016
	$ 957,421	$ 848,953

10. Promissory notes

	March 31, 2021	**December 31, 2020**
Balance, beginning of the period	**$ 4,697,980**	$ 4,463,835
Accretion	**64,207**	234,145
Balance, end of the period	**$ 4,762,187**	$ 4,697,980

On August 9, 2017, the Company completed a non-brokered private placement ("Concurrent Offering") through the issuance of 2,042 units (the "Units") at a price of $900 per Unit for aggregate gross proceeds of $1,837,800. Each Unit is comprised of: (i) one promissory note in the principal amount of $1,000 subject to a coupon interest rate of 10% per annum over a five year term; (ii) 1,500 common shares; and (iii) 1,500 common share purchase warrants. The Company incurred a cash commission of $56,268 for the Concurrent Offering and issued 96,480 broker warrants with a value of $10,387.

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,463,076 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. Of the residual value, $336,930 was attributed to the shares, and $37,794 was allocated to the warrants. The Company incurred total transaction costs of $66,268 of which $54,730 was allocated to promissory note issuance costs and $11,538 as share issuance costs.

On January 5, 2018, the Company closed the first tranche ("First Tranche") of a unit financing. In connection with the First Tranche, the Company issued an aggregate of 1,320 units at a price of $1,000 per Unit for aggregate gross proceeds of $1,320,000. Each Unit is comprised of: (i) one promissory note in the principal amount of $1,000 bearing a coupon of 10.0%, payable semi-annually, with a five-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant is exercisable for one common share of the Company at a price of $0.20 per share until January 5, 2023. In connection with the First Tranche, the Company paid cash commissions equal to 6% of the gross proceeds of the Offering to certain eligible finders and issued an aggregate of 45,000 finder warrants with a value of $10 (the "Finder Warrants"). Each Finder Warrant entitles the holder to acquire one common share of the Company at a price of $0.20 per share until January 5, 2023. All securities issued pursuant to the First Tranche are subject to a hold period expiring four months and one day from January 5, 2018.

10. Promissory notes (continued)

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $932,090 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $168,300 was attributed to the shares and $219,610 was allocated to the warrants. The Company incurred transaction costs of $66,000 of which $49,057 was allocated to the liability component and remaining $16,943 was allocated to share capital.

On April 13, 2018, the Company completed the second and final tranche of its previously announced unit financing (the "Offering") and issued, an additional 2,430 units (the "Units") at a price of $1,000 per Unit for additional gross proceeds of $2,430,000. The aggregate gross proceeds raised pursuant to the Offering was $3,750,000 through the issuance of 3,750 Units. Each Unit consists of: (i) one promissory note in the principal amount of $1,000 bearing a coupon of 10.0%, payable semi-annually, with a 5-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant is exercisable into one common share of the Company at a price of $0.20 per common share for a period of five years from the date of issuance. In connection with the second tranche, certain eligible persons (the "Finders") were paid a cash commission equal to 6% of the proceeds raised from subscribers introduced to the Company by such Finders and also issued an aggregate of 99,000 broker warrants with a value of $33,680 (the "Broker Warrants") to such Finders, with each Broker Warrant entitling the holder to acquire one common share at a price of $0.20 for a period of five years from the date of issuance.

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,699,741 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $637,875 was attributed to the shares and $92,384 was allocated to the warrants. The Company incurred transaction costs of $143,231 of which $106,463 was allocated to the liability component and remaining $36,768 was allocated to the share capital.

During the three months ended March 31, 2021, the Company recorded $142,816 (three months ended March 31, 2020 - $144,403) in interest expense and accretion on promissory notes of $64,207 (three months ended March 31, 2020 - $53,700).

11. Loan payable

During the year ended December 31, 2019, the Company borrowed US$500,000 from an arm's length third party. The loan is unsecured, due on demand and is subject to an interest rate of 2% per month during the first four months and 1.42% per month subsequently until March 24, 2020. During the year ended December 31, 2020, the loan was repaid in full.

During the year ended December 31, 2020, the Company borrowed loans of US$1,226,149 from arm's length third parties. The loans were subject to an interest rate of 12% per annum. During the year ended December 31, 2020, US$633,282 was repaid. The loan was due on demand and there was no security on the loan.

During the three months ended March 31, 2021, the Company recorded $38,684 (three months ended March 31, 2020 - $21,235) in interest expense, related to the loans.

12. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of Class A preference shares without par value.

b) Common shares issued

As at March 31, 2021, the Company had 18,087,250 common shares outstanding.

(i) On March 3, 2021, the Company closed the first tranche of its previously announced non-brokered private placement through the issuance of 2,050,000 units (the "Units") at a price of $0.135 per Unit for gross proceeds of up to $276,750. Each Unit is comprised of one common share in the capital of the Company and one whole Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one Common at a price of $0.20 per Common Share until March 26, 2023 provided, however, that should the closing price at which the Common Shares trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceed $0.30 for 20 consecutive trading days at any time following the date that is four months and one day after the closing date, the Company may accelerate the Warrant Term (the "Reduced Warrant Term") such that the Warrants shall expire on the date which is 30 business days following the date a press release is issued by the Company announcing the Reduced Warrant Term. The fair value of the 2,050,000 warrants was estimated at $97,721 using the Black-Scholes valuation model using the following assumptions: exercise price of $0.20, risk-free rate of 0.26%, volatility of 148.83%, dividend yield of 0% and time to expiry of 2.06 years.

In connection with the Offering, the Company paid certain eligible persons (each, a "Finder"): (i) a cash commission in the aggregate of $12,720; and (ii) an aggregate of 120,000 broker warrants (each, a "Broker Warrant"). Each Broker Warrant is exercisable into Common Shares at a price of $0.20 per Common Share unit March 3, 2023. The fair value of the 120,000 broker warrants was estimated at $9,938 using the Black-Scholes valuation model using the following assumptions: exercise price of $0.20, risk-free rate of 0.26%, volatility of 148.83%, dividend yield of 0% and time to expiry of 2 years.

(ii) On March 26, 2021, the Company closed the final tranche of its previously announced non-brokered private placement through the issuance of 572,000 units at a price of $0.135 per Unit for gross proceeds of $77,220. Each Unit is comprised of one common share in the capital of the Company and one whole Common Share purchase warrant. Each Warrant shall entitle the holder thereof to purchase one Common at a price of $0.20 per Common Share until March 26, 2023 provided, however, that should the closing price at which the Common Shares trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceed $0.30 for 20 consecutive trading days at any time following the date that is four months and one day after the closing date, the Company may accelerate the Warrant Term such that the Warrants shall expire on the date which is 30 business days following the date a press release is issued by the Company announcing the Reduced Warrant Term. The fair value of the 572,000 warrants was estimated at $30,316 using the Black-Scholes valuation model using the following assumptions: exercise price of $0.20, risk-free rate of 0.23%, volatility of 145.52%, dividend yield of 0% and time to expiry of 2 years.

The Units issued in the final tranche of the private placement were settled against certain accounts payable of $61,307 owed to two companies controlled by the CEO of the Company. The settlement resulted in a loss on settlement of debt of $15,913 during the three months ended March 31, 2021.

(Expressed in Canadian Dollars)

13. Stock options and warrants

Stock options

The Company has a stock option plan under which it is authorized to grant up to a maximum of 3,608,000 options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price, of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years and vesting is determined by the Board of Directors.

	Number of options	Weighted average exercise price
Balance, December 31, 2019 and March 31, 2020, December 31, 2020 and March 31, 2021	3,548,000	$ 0.21

The following table reflects the stock options issued and outstanding and exercisable as of March 31, 2021:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
August 10, 2022	0.11	1.36	2,088,000	2,088,000
April 20, 2023	0.45	2.05	1,060,000	1,060,000
February 11, 2024	0.13	2.87	400,000	400,000
		1.99	3,548,000	3,548,000

Warrants

Warrant transactions were as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 201, March 31, 2020 and, December 31, 2020	5,707,500	$ 0.15
Issued	2,622,000	0.20
Balance, March 31, 2021	8,329,500	$ 0.17

(Expressed in Canadian Dollars)

13. Stock options and warrants (continued)

Warrants (continued)

As at March 31, 2021, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	2,895,000	1.36
January 5, 2023	0.20	990,000	1.77
April 13, 2023	0.20	1,822,500	2.04
March 26, 2023	0.20	2,622,000	1.99
		8,329,500	1.75

Broker warrant transactions were as follows:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2019	173,700	$ 0.18
Exercised	(47,250)	0.20
Balance, March 31, 2020 and December 31, 2020	126,450	$ 0.18
Issued	120,000	0.20
Balance, March 31, 2021	246,450	$ 0.19

As at March 31, 2021, the Company had outstanding broker warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	29,700	1.36
January 5, 2023	0.20	45,000	1.77
April 12, 2023	0.20	51,750	2.03
March 3, 2023	0.20	120,000	1.92
		246,450	1.85

(Expressed in Canadian Dollars)

14. Related party transactions

(a) The Company entered into the following transactions with related parties recorded as legal fees and share issue costs:

	Three months ended March 31, 2021	Three months Year ended March 31, 2020
Irwin Lowy LLP (i)	**$ 2,253**	$ 2,062

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and these fees related to professional services provided by the firm. As at March 31, 2021, the Company owed $19,091 (December 31, 2020 - $18,545) to this firm and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Compensation of key management personnel of the Company:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Interim Chief Financial Officer, VP of Operations and the Country Manager.

	Three months ended March 31, 2021	Three months Year ended March 31, 2020
Consulting fees	**$ 44,706**	$ 182,522
Directors fees	**-**	8,000
	$ 44,706	$ 190,522

As at March 31, 2021, accounts payable and accrued liabilities included $91,300 (December 31, 2020 - $167,711) owing to directors, officers, Country Manager, VP of Operations and a company controlled by the Chief Executive Officer. The amounts bear no interest and have no fixed terms of repayment.

As at March 31, 2021, total promissory notes payable to related parties were $599,132 (December 31, 2020 - $591,040)

15. Financial instruments and risk management

The fair values of cash, receivables, accounts payable and accrued liabilities and loan payable approximate their fair value because of the short-term nature of these instruments. The promissory notes are measured at carrying value at the effective interest rate which approximates fair value.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk for the Company arises from cash and receivables. The carrying amount of these financial assets represents the maximum credit exposure as at March 31, 2021 and December 31, 2020.

Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. Credit risk exposure on cash is limited through maintaining cash with high-credit quality financial institutions and management considers the risk to be minimal for all cash assets.

The Company is exposed to credit risk inherent in its receivables, which include credit exposure to customers and their outstanding receivable balances. Credit risk relating to receivables from such customers is considered low based upon the nature of the Company's relationship and payment history with the customers.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2021, the Company had a cash balance of $380,049 to settle current liabilities of $2,000,480. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

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

Interest rate risk

The Company has cash balances and the promissory notes are subject to fixed interest rates. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is nominally exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars and Bolivianos.

15. Financial instruments and risk management (continued)

Gold price risk

The Company is exposed to gold price risk given that its revenues are derived from the sale of gold through its gold dore and bullion products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's operations may be adversely affected by fluctuations in metal prices. For gold shipped and provisionally invoiced during the period ended March 31, 2021, a 5% change in gold prices would result in an immaterial increase/decrease in the Company's pre-tax income.

The Company is exposed to commodity price risk arising from changes to the market prices for zinc, lead and silver between the time of the provisional invoicing of concentrates to the time of final price settlement. The Company is exposed to this risk during the quotational periods ranging from one to three months, depending on the terms and conditions of the various concentrate off-take contracts. Management estimates that a 5% decrease in the market prices for zinc, lead and silver would reduce the provisionally priced mark-to-market revenues and related accounts receivable by approximately $135,000 as of March 31, 2021. (December 31, 2020 - $5.01 million).

Fair value hierarchy

Cash and receivables are measured at amortized cost. Accounts payable and accrued liabilities, loan payable and promissory notes are measured at amortized cost. None of the Company's financial instruments are classified as fair value through profit and loss ("FVTPL").

IFRS 7 - Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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

As at March 31, 2021 and December 31, 2020, none of the Company's financial instruments were held at fair value.

Trade receivable/payable from provisional sales of gold includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected gold prices and foreign exchange rates. The trade receivable/payable from sales of gold and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

Economic dependence

During the period ended March 31, 2021, three customers accounted for 99% of the Company's total revenue. The loss of the above customers could have a material adverse effect on the Company's financial position and results of operations.

(Expressed in Canadian Dollars)

16. Capital management

The Company defines capital that it manages as shareholders' deficiency, consisting of share capital, reserves and deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the metal trading operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There was no change in management's approach to capital management during the period ended March 31, 2021.

17. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's CEO.

The Company's reportable segments are based on the geographic region for the Company's operations and include Canada and Bolivia.

The segmental report is as follows:

As at March 31, 2021	Canada	Bolivia	Total
Current assets	$ 80,651	$ 2,287,354	$ 2,368,005
Equipment	-	174,024	174,024
Total assets	$ 80,651	$ 2,461,378	$ 2,542,029
Total liabilities	$ 5,932,102	$ 1,220,390	$ 7,152,492
Net loss for the three months ended March 31, 2021	$ 318,185	$ 448,854	$ 767,039

As at December 31, 2020	Canada	Bolivia	Total
Current assets	$ 63,931	$ 2,568,893	$ 2,632,824
Equipment	-	119,920	119,920
Total assets	$ 63,931	$ 2,688,813	$ 2,752,744
Total liabilities	$ 5,771,751	$ 1,345,232	$ 7,116,983
Net loss for the three months ended March 31, 2020	$ (469,046)	$ 112,726	$ (356,320)