Satori Resources Inc.

Financial Statements

Years Ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Satori Resources Inc.:

Opinion

We have audited the financial statements of Satori Resources Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of net loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the 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 December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company had no source of recurring operating cash flows during the year ended December 31, 2020 and, as of that date, had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

April 28, 2021 — Licensed Public Accountants

MNP

Satori Resources Inc.
Statements of Financial Position
As at December 31, 2020 and 2019

(Expressed in Canadian dollars)

		2020		2019
ASSETS				
Current Assets				
Cash	**$**	**1,259,568**	$	519,590
Other receivables *(note 10)*		**49,193**		23,663
Prepaid expenses and advances *(note 11)*		**71,770**		60,847
		1,380,531		604,100
Non-Current Assets				
Mineral properties and deferred exploration and development expenditures *(note 5)*		**2,407,697**		2,165,660
TOTAL ASSETS	**$**	**3,788,228**	$	2,769,760
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities *(note 10)*	**$**	**110,580**	$	94,325
		110,580		94,325
Non-Current Liabilities				
Site restoration provision *(note 6)*		**1,085,684**		1,064,187
TOTAL LIABILITIES		**1,196,264**		1,158,512
Equity				
Share capital *(note 7)*		**5,088,097**		3,662,999
Contributed surplus *(note 7)*		**5,935,582**		5,834,496
Warrant reserve *(note 7)*		**343,143**		441,343
Deficit		**(8,774,858)**		(8,327,590)
		2,591,964		1,611,248
TOTAL LIABILITIES AND EQUITY	**$**	**3,788,228**	$	2,769,760

Going Concern *(note 2)*
Commitments *(note 14)*

Approved by the Board

Signed:

"Peter Shippen" ________________________________ Director

"Jennifer Boyle" ________________________________ Director

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

Satori Resources Inc.

Statements of Net Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

	2020	2019
Management fees *(note 10)*	**$ 138,000**	$ 84,000
Stock-based compensation *(notes 8 and 10)*	**105,070**	74,835
Directors fees (note 10)	**70,427**	16,000
Consulting fees	**24,938**	1,412
Accretion *(note 6)*	**21,497**	48,619
Filing and transfer agent fees	**20,247**	14,521
Professional fees	**18,765**	90,362
Investor relations, advertising, and promotion	**18,573**	5,295
Insurance	**15,186**	10,260
Office and miscellaneous	**12,026**	10,893
Salaries, wages and benefits	**9,546**	6,338
Legal and paralegal	**7,531**	6,287
Travel	**3,362**	20,375
Rent	**---**	23,907
Loss before interest income, foreign exchange, and flow-through premium	**465,168**	413,104
Interest income	**---**	65
Foreign exchange	**---**	(444)
Flow-through premium	**(17,900)**	---
Net loss and comprehensive loss for the year	**$ 447,268**	$ 413,483
Net loss per share (basic and diluted) *(note 9)*	**$ (0.01)**	$ (0.01)

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

Satori Resources Inc.

Statements of Changes in Equity
For the years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Warrant Reserve	Deficit	Total
Balance, December 31, 2018	**43,631,507**	**$3,662,999**	**$5,318,159**	**$ 882,846**	**$(7,914,107)**	**$1,949,897**
Net loss for the year	---	---	---	---	(413,483)	**(413,483)**
Vesting of stock-based compensation	---	---	74,834	---	---	**74,834**
Warrant expiry	---	---	441,503	(441,503)	---	**---**
Balance, December 31, 2019	**43,631,507**	**$3,662,999**	**$5,834,496**	**$ 441,343**	**$(8,327,590)**	**$1,611,248**
Net loss for the year	---	---	--	---	(447,268)	**(447,268)**
Shares issued – property acquisition	120,000	14,400	---	---	---	**14,400**
Shares issued – private placement	12,013,577	1,136,514	---	---	---	**1,136,514**
Shares issued – warrant exercise	2,200,000	191,200	---	(66,700)	---	**124,500**
Shares issued – stock option exercise	900,000	82,984	(35,484)	---	---	**47,500**
Expiry of warrants	---	---	31,500	(31,500)	---	**---**
Vesting of stock-based compensation	---	---	105,070	---	---	**105,070**
Balance, December 31, 2020	**58,865,084**	**$5,088,097**	**$5,935,582**	**$ 343,143**	**$(8,774,858)**	**$2,591,964**

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

Satori Resources Inc.

Statements of Cash Flows
For the years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

	2020	2019
Cash flows from operating activities		
Net loss for the year	**$ (447,268)**	$ (413,483)
Items not affecting cash		
Accretion *(note 6)*	**21,497**	48,619
Stock-based compensation *(notes 8 and 10)*	**105,070**	74,834
Flow-through premium	**(17,900)**	---
Changes in non-cash items relating to operating activities		
Other receivables	**(25,530)**	1,547
Prepaid expenses	**(10,923)**	(35,285)
Accounts payable and accrued liabilities	**16,255**	60,040
	(358,799)	(263,728)
Cash flows from investing activities		
Property acquisition	**(40,000)**	---
Mineral properties expenditures	**(187,637)**	(33,616)
	(227,637)	(33,616)
Cash flows from financing activities		
Share subscriptions	**1,195,475**	---
Cash share issuance costs	**(41,061)**	---
Exercise of stock options	**47,500**	
Exercise of warrants	**124,500**	---
	1,326,414	---
(Decrease) increase in cash	**(739,978)**	(297,344)
Cash, beginning of the year	**519,590**	816,934
Cash, end of the year	**$ 1,259,568**	$ 519,590

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

1. Incorporation

Satori Resources Inc. ("Satori" or the "Company") was incorporated on October 24, 2011 as 0923423 B.C. Ltd. under the Business Corporations Act (British Columbia) and subsequently changed its name to Satori Resources Inc. on December 5, 2011. Satori is involved in mineral exploration and development near Tartan Lake in the Province of Manitoba (the "Tartan Lake Gold Mine Project" or "Tartan Lake").

Satori's head office is located at 401 Bay Street, Suite 2702, Toronto, Ontario. Satori's shares are listed on the TSX Venture Exchange and trade under the symbol "BUD".

These financial statements were approved by the Board of Directors on April 28, 2021.

2. Nature of Operations and Going Concern

Satori is in the process of exploring its mineral property interests and has not yet determined whether the mineral properties contain mineral reserves that are economically recoverable. Satori's continuing operations and the underlying value and recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of Satori to obtain the necessary financing to complete the exploration and development of its mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

Satori has raised and expects to raise additional equity financing to support future investing and operating activities at Tartan Lake, or for such other new projects or assets that Satori may acquire. There can be no assurance as to the availability or terms upon which such financing might be available.

These financial statements have been prepared on a going concern basis, which assumes that Satori will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. As at December 31, 2020, Satori had no source of recurring operating cash flows, has an accumulated deficit of $8,774,858 (2019 – $8,327,590), and working capital of $1,269,951 (2019 - $509,775). In the absence of additional financing or strategic alternatives, these factors indicate that a material uncertainty exists that may cast significant doubt on Satori's ability to continue as a going concern.

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders. While Satori has not yet experienced any material impact on its ability to conduct operations, it is unknown the extent of the future impact the COVID-19 outbreak may have on Satori as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact Satori's business and financial condition.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if Satori were unable to continue as a going concern and was required to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

3. Significant Accounting Policies

Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

3. Significant Accounting Policies (Cont'd)

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value.

Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimates and judgments:

- the recoverability of the deferred exploration and development expenditures recorded in the statements of financial position (note 5); and
- inputs used to account for the value of the site restoration provision, including the future costs, the inflation rate, the risk-free interest rate, and the estimated life of the property (note 6).

Financial instruments

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

Satori derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Satori derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, Satori has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

3. Significant Accounting Policies (Cont'd)

Financial instruments (cont'd)

The following table summarizes the classification of Satori's financial assets and liabilities:

	Classification
Financial assets:	
Cash	Amortized cost
Other receivables	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost

Cash

Cash comprises cash balances deposited at Canadian chartered banks.

Mineral properties and deferred exploration and development expenditures

Satori's mineral property is in the exploration stage. Satori capitalizes all expenditures related to the acquisition, exploration, and development of the mineral property until such time as the property is placed into commercial production, abandoned, sold or considered to be impaired in value. Costs of the producing property will be amortized on a unit-of-production basis based on proven and probable reserves. Costs of abandoned properties are written off to operations. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of mineral properties, with the excess, if any, included in operations. Adjustments to carrying value due to impairment are charged to operations.

Property option payments received are credited against the cost of mineral properties. Where option payments received exceed the recorded acquisition costs plus deferred exploration expenditures on the respective project, the amount in excess of the capitalized costs is credited to operations.

Satori has not yet determined the amount of reserves available on the property owned. The recoverability of the capitalized costs for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of Satori to obtain financing to complete development of the property and on future production or proceeds of disposition. Satori assesses the impairment of a mineral property whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to operations. Although Satori has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee Satori's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

All capitalized exploration and development expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but which require major capital expenditures before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

3. Significant Accounting Policies (Cont'd)

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in profit or loss, other comprehensive income or loss or equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares using the treasury method.

Accounting for flow-through shares

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in the statement of net loss and comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Stock-based compensation

Stock options awarded to employees are accounted for using the fair value-based method. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of options granted is calculated using the Black-Scholes model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise. The fair value of options issued to non-employees is measured based on the fair value of the goods or services exchanged.

3. Significant Accounting Policies (Cont'd)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, Satori estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount recognizing an impairment loss in the statement of operations. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of the recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Site restoration provision

An obligation to incur restoration, rehabilitation, and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate, for changes to the current market-based discount rate, and amount or timing of the underlying cash flows needed to settle the obligation.

Leases

IFRS 16 – Leases – In January 2016, the IASB issued IFRS 16. The new standard requires that for most leases, lessees must initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset for the right to use the underlying asset for the lease term. Lessor accounting under IFRS 16 is substantially unchanged, lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between an operating or finance lease.

Satori adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. Satori had one lease which fell within the scope of IFRS 16 using the modified retrospective approach. Satori determined that implementation of this standard did not have a material impact on its financial statements as the lease was considered to be short-term on the date of adoption.

Changes in accounting standards

There were no new accounting standards adopted during the year ended December 31, 2020 that had a significant impact on the financial statements.

3. Capital Management

The capital of Satori consists of shareholders' equity. Satori's objectives when managing capital are to safeguard Satori's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain optimal returns to shareholders and benefits for other stakeholders.

Satori manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, Satori may attempt to issue new shares or debt or dispose of assets. There can be no assurance that Satori will be able to obtain debt or equity capital in the case of operating cash deficits *(note 2)*.

In order to facilitate management of its capital requirements, Satori prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, Satori does not pay out dividends. Satori is not subject to externally imposed capital requirements.

5. Mineral Properties and Deferred Exploration and Development Expenditures

	Dec 31, 2018	Additions	Dec 31, 2019	Additions	Dec 31, 2020
Tartan Lake:					
Acquisition	$ 583,560	$ ---	$ 583,560	$ ---	$ 583,560
Exploration	3,673,735	33,616	3,707,351	187,637	3,894,988
Proceeds from sale of gold	(49,433)	---	(49,433)	---	(49,433)
Change in site restoration provision (note 6)	103,205	205,248	308,453	---	308,453
Impairment of properties	(2,384,271)	---	(2,384,271)	---	(2,384,271)
Total Tartan Lake	**1,926,796**	**238,864**	**2,165,660**	**187,637**	**2,353,297**
New Delhi:					
Acquisition	---	---	---	54,400	54,400
Total New Delhi	**---**	**---**	**---**	**54,400**	**54,400**
TOTAL	**$ 1,926,796**	**$ 238,864**	**$ 2,165,660**	**$ 242,037**	**$ 2,407,697**

Tartan Lake, Manitoba

Satori assumed ownership of Tartan Lake on February 2, 2012. The property carries a net smelter return royalty ("NSR") of 2%. The NSR can be repurchased at any time by Satori for $1,000,000 for each 1%.

New Delhi, Ontario

On October 26, 2020, Satori entered into a property option agreement to earn a 100% interest in the New Delhi Gold Project, an advanced polymetallic gold property located in Ontario's Sudbury Mining Division. Under the terms of this agreement, Satori has the right to earn a 100% interest in the New Delhi project by making the following payments:

- On execution: $40,000 cash (paid) and 120,000 common shares (issued);
- 1st Anniversary: $45,000 cash and 159,000 common shares;
- 2nd Anniversary: $50,000 cash and 180,000 common shares;
- 3rd Anniversary: $75,000 cash and 300,000 common shares.

Upon earning a 100% interest in the New Delhi project, Satori shall grant the vendors a 2% Net Smelter Return royalty ("NSR"), pursuant to which 1% may be bought-down by Satori in consideration for $1,000,000, and Satori shall have a right of first refusal to purchase the remaining 1% NSR.

6. Site Restoration Provision

Satori's site restoration provision of $1,085,684 (2019 - $1,064,187) is based on management's best estimate of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred.

Satori's asset retirement obligation was determined based on an undiscounted future liability of approximately $1,248,820 adjusted for estimated inflation of 1.88% and discounted at 2.02%, with reclamation occurring in 2027. During the year ended December 31, 2020, accretion expense of $21,497 (2019 - $48,619) was recorded. Additionally, in 2019, a change in site restoration provision of $205,248 was recognized (note 5).

7. Share Capital

Common shares

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

	Common Shares	Amount
Balance, December 31, 2018 and 2019	**43,631,507**	**$ 3,662,999**
Property acquisition (note 5)	120,000	14,400
Shares issued in private placement	12,013,577	1,195,475
Share issue costs	---	(41,061)
Flow-through premium	---	(17,900)
Warrant exercise – cash	2,200,000	124,500
Warrant exercise – equity	---	66,700
Option exercise – cash	900,000	47,500
Option exercise – equity	---	35,484
Balance, December 31, 2020	**58,865,084**	**$ 5,088,097**

On July 14, 2020, Satori closed a private placement for gross proceeds of $420,000 by the issuance of 1,790,000 flow-through shares at a price per share of $0.08 and 4,258,461 non-flow-through common shares at a price of $0.065 per share. In connection with this closing, Satori paid a cash finders fees and other issuance costs totalling $4,800. A flow-through premium of $17,900 was recognized.

On December 2, 2020, Satori issued 120,000 common shares valued at $14,400 as part of its New Delhi acquisition (see Note 5).

On December 30, 2020 Satori closed a flow-through private placement for gross proceeds of $775,465, by the issuance of 5,965,116 flow-through shares at a price of $0.13 per share. In connection with this closing, Satori paid cash finders' and other issuance costs totalling $36,251.

During the year, a total of 2,200,000 warrants were exercised for cash proceeds of $124,500 and a total of 900,000 stock options were exercised for cash proceeds of $47,500.

See note 14 for Satori's flow-through expenditure commitment at December 31, 2020.

7. Share Capital (Cont'd)

Warrant Reserve

The warrant reserve represents the fair value of outstanding warrants on the date of their issuance. The valuation is derived using a Black-Scholes option pricing model. As warrants are exercised, the fair value is transferred to share capital. Should warrants expire unexercised, the fair value is transferred as a component of contributed surplus.

Warrants

	Number of Warrants	Weighted average exercise price
Balance, December 31, 2018	**25,576,556**	**$ 0.12**
Expired	(6,271,556)	0.30
Balance, December 31, 2019	**19,305,003**	**$ 0.06**
Exercised	2,200,000	0.06
Expired	(700,000)	0.05
Balance, December 31, 2020	**16,405,000**	**$ 0.06**

Warrants Outstanding

Warrant Type	Number of Warrants	Value Assigned	Exercise Price	Date of Expiry
Investors	2,005,000	29,572	0.065	June 16, 2021
Investors	11,800,000	256,954	0.060	November 22, 2021
Investors	2,600,000	56,617	0.060	December 21, 2021
Balance, December 31, 2020	**16,405,000**	**$ 343,143**		

Contributed Surplus

The following is a summary of changes in contributed surplus from December 31, 2019 to December 31, 2020:

	December 31, 2020	December 31, 2019
Opening balance	**$ 5,834,496**	$ 5,318,159
Expiry of warrants	31,500	441,503
Book value of options exercised	(35,484)	---
Vesting of share-based payments	105,070	74,834
Ending balance	**$ 5,935,582**	$ 5,834,496

8. Stock Options and Stock-Based Compensation

Satori established a stock option plan which provides for granting of incentive stock options up to a maximum of 10% of Satori's issued and outstanding common shares. Satori has issued options to directors, officers, and consultants. Terms of the options granted are subject to the determination and approval by the Board of Directors. All options granted are subject to a four-month hold period from the date of grant as required by the TSX Venture Exchange.

8. Stock Options and Stock-Based Compensation (Cont'd)

	Number of stock options outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life (years)
Balance, December 31, 2018	**1,450,000**	**$ 0.16**	**2.96**
Granted	2,000,000	0.05	
Expired	(300,000)	0.18	
Balance, December 31, 2019	**3,150,000**	**$ 0.09**	**3.21**
Granted	1,900,000	0.08	
Exercised	(900,000)	0.05	
Expired	(100,000)	0.15	
Balance, December 31, 2020	**4,050,000**	**$ 0.10**	**3.08**

On January 4, 2019, Satori granted 2,000,000 stock options to directors, officers and consultants. The stock options carry an exercise price of $0.05, and vest immediately. The value ascribed to this issue was $74,834 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.05; risk free rate of return – 1.83%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. Satori recognized stock-based compensation expense of $74,835 during the year ended December 31, 2019 in relation to the vesting of these options.

In January 2019, 300,000 options expired unexercised.

On June 9, 2020, Satori granted 1,000,000 stock options to directors, officers, and consultants. The stock options carry an exercise price of $0.075, and vested immediately. The value ascribed to this issue was $55,500 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.075; risk free rate of return – 0.45%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. Satori recognized stock-based compensation expense of $55,500 during the year ended December 31, 2020 in relation to the vesting of these options.

On July 15, 2020, Satori granted 800,000 stock options to directors and consultants. The stock options carry an exercise price of $0.08 and vested immediately. The value ascribed to this issue was $40,400 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.07; risk free rate of return – 0.35%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. Satori recognized stock-based compensation expense of $40,400 during the year ended December 31, 2020 in relation to the vesting of these options.

On August 24, 2020, Satori granted 100,000 stock options to a directors, officers, and consultants. The stock options carry an exercise price of $0.13 and vested immediately. The value ascribed to this issue was $9,170 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.0125; risk free rate of return – 0.38%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. Satori recognized stock-based compensation expense of $9,170 during the year ended December 31, 2020 in relation to the vesting of these options.

On September 30, 2020, 400,000 stock options with an exercise price of $0.05 per share were exercised. On October 12, 2020, 50,000 stock options with an exercise price of $0.075 per share were exercised. On October 15, 2020, 50,000 stock options with an exercise price of $0.15 per share expired unexercised. On October 20, 2020, 400,000 stock options with an exercise price of $0.075 per share and 50,000 stock options with an exercise price of $0.05 per share were exercised.

9. Loss per Common Share

The options and warrants for the years ended December 31, 2020 and 2019 were excluded from the computation of diluted loss per share as the potential effect was anti-dilutive.

The following table sets forth the calculations of basic and fully diluted loss per common share:

	For the years ended December 31, 2020	2019
Numerator:		
Loss attributable to common shareholders		
- basic and diluted	$(447,268)	$(413,483)
Denominator:		
Weighted-average common shares outstanding		
- basic and diluted	47,549,313	43,631,507
Basic and diluted loss per common share	$ (0.01)	$ (0.01)

10. Related Party Transactions and Balances

Management compensation

Satori incurred the following expenditures with officers and directors of Satori, or with companies controlled by those individuals:

	Years Ended December 31, 2020	2019
Stock-based compensation	**$ 30,525**	$ 74,834
Management fees	**128,000**	84,000
Director fees	**70,427**	16,000
Total management compensation	**$ 228,952**	$ 174,835

As of December 31, 2020, $57,689 (December 31, 2019 - $3,727) is owed to management and directors and is included in accounts payable and accrued liabilities on the statements of financial position.

Other receivables include $Nil ($17,638) due from a company related to a Director.

Officers and directors of Satori subscribed for 1,158,461 common shares for gross proceeds of $82,800 (19.7%) of the July 14, 2020 financing and 315,500 common shares for gross proceeds of $41,015 (5.3%) of the December 30, 2020 financing.

11. Deposit

During the year ended December 31, 2019, Satori made a refundable deposit of $50,000 to a privately held arm’s length party (the “Party”) in contemplation of a potential transaction while Satori undertakes due diligence procedures. This refundable deposit provides Satori with an option to acquire a joint venture interest in a new venture with the Party. This deposit was refunded in full in April 2021.

12. Financial Instruments and Risk Factors

Satori's risk exposures and impact on Satori's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with Satori's inability to collect accounts receivable and safe keep cash. Satori`s receivables consist mainly of a Harmonized Sale Tax (HST) due from the federal government, on which there is no credit risk. Satori is also exposed to credit risk on its cash, however, it has deposited its cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimal.

Satori also has a refundable deposit in prepaid expenses (note 11).

Liquidity risk

Satori manages liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, Satori had cash of $1,259,568 to settle current financial liabilities of $110,580 (December 31, 2019 - $519,590 to settle current financial liabilities of $94,325). Satori has no source of recurring operating cash flows and in the absence of additional financing or strategic alternatives, Satori faces substantial liquidity risk (note 2).

Market risk

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

i) Interest rate risk - Satori is not exposed to interest rate risk as it does not have interest bearing debt.
ii) Commodity price risk - The ability of Satori to develop its mineral properties and future profitability of Satori is directly related to the market price of gold.

13. Income Tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 – 26.5%) to the effective tax rate is as follows:

	2020 $	2019 $
Net Loss before recovery of income taxes	**(447,268)**	(413,483)
Expected income tax recovery	**(118,530)**	(109,570)
Share issuance costs booked to equity	**(10,880)**	---
Non-deductible expenses	**23,100**	20,540
Renunciation of flow-through expenditures	**37,950**	
Change in tax benefits not recognized	**68,360**	89,030
Income tax expense (recovery) expense	**---**	---

13. Income Tax (Cont'd)

Deferred taxes have not been recognized in respect of the deductible temporary differences set out below:

	2020	2019
Non-capital losses carried forward	$ 3,574,590	$ 3,198,870
Mineral properties and exploration related deductions	1,132,640	1,275,840
Site restoration provision	1,085,680	1,064,190
Undedicated share issue costs	61,300	57,350
Property, plant, and equipment	39,610	39,610
Investment tax credits	6,030	6,030

The mineral properties and exploration related deductions and equipment may be carried forward indefinitely. The share issue costs will be deducted for tax purposes over the next four years.

Satori's non-capital income tax losses expire as follows:

	Total $
2032	493,030
2033	462,940
2034	503,700
2035	293,920
2036	186,830
2037	452,600
2038	489,190
2039	316,670
2020	375,710
	3,574,590

14. Commitments

The following table summarizes the Company's flow-through expenditure requirements as at December 31, 2020:

Date of Financing	Jul 14, 2020 $	Dec 30, 2020 $
Flow-through proceeds raised	143,200	775,465
Eligible expenditures incurred	(143,200)	---
Expenditure commitment	---	775,465
Expenditure deadline		Dec 31, 2021*

**Based on proposed legislation, it is expected this deadline will be extended to December 31, 2022.*