

Satori Resources Inc.

Condensed Interim Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Responsibility for Financial Statements:

The accompanying unaudited interim condensed financial statements of Satori Resources Inc. (the "Company") for the three months ended March 31, 2021 and 2020 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see note 3 to the unaudited interim condensed financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited financial statements, management is satisfied that these unaudited interim condensed financial statements have been fairly presented.

Auditors Involvement:

The external auditors of Satori Resources Inc. have not audited or performed a review of the unaudited interim condensed financial statements for the three months ended March 31, 2021 and 2020.

Satori Resources Inc.

MANAGEMENT'S RESPONSIBILITY FOR QUARTERLY FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Satori Resources Inc. are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim condensed financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

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

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

"Peter Shippen"
Chairman

"Julio DiGirolamo"
Chief Financial Officer

Satori Resources Inc.

Interim Condensed Statements of Financial Position (unaudited) (Expressed in Canadian dollars)

	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash	\$ 1,046,031	\$ 1,259,568
Other receivables (note 10)	32,151	49,193
Prepaid expenses and advances (note 12)	144,849	71,770
	1,223,031	1,380,531
Non-Current Assets		
Mineral properties and deferred exploration and development expenditures (notes 5 and 10)	2,434,183	2,407,697
TOTAL ASSETS	\$ 3,657,214	\$ 3,788,228
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 89,597	\$ 110,580
	89,597	110,580
Non-Current Liabilities		
Site restoration provision (note 6)	1,091,526	1,085,684
TOTAL LIABILITIES	1,181,123	1,196,264
Equity		
Share capital (note 7)	5,096,471	5,088,097
Contributed surplus (note 7)	6,089,632	5,935,582
Warrant reserve (note 7)	341,594	343,143
Deficit	(9,051,606)	(8,774,858)
	2,476,091	2,591,964
TOTAL LIABILITIES AND EQUITY	\$ 3,657,214	\$ 3,788,228

Going Concern (note 2)

Commitments (note 13)

Approved by the Board
Signed:

"Jennifer Boyle"

Director

"Peter Shippen"

Director

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

Satori Resources Inc.

Interim Condensed Statements of Operations and Comprehensive Loss (unaudited)
For the three-month periods ended March 31,
(Expressed in Canadian dollars)

	2021	2020
Stock-based compensation (note 8)	\$ 154,050	\$ ---
Management fees	48,500	21,000
Directors fees	23,996	16,000
Office costs and miscellaneous	11,116	1,246
Insurance	8,040	2,565
Salaries, wages and benefits	7,417	1,566
Filing and transfer agent fees	7,019	6,625
Accretion (note 6)	5,842	5,374
Consulting fees	5,617	6,000
Investor relations, advertising and promotion	3,870	575
Legal and paralegal	1,348	---
Loss before interest income	\$ (276,815)	\$ (60,951)
Interest income	67	---
Net loss and comprehensive loss for the period	\$ (276,748)	\$ (60,951)
Net loss per share (note 9)	\$ (0.00)	\$ (0.00)

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

Satori Resources Inc.

Interim Condensed Statements of Changes in Equity (unaudited)

For the three-month periods ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Warrant Reserve	Deficit	Total
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 period	---	---	---	---	(60,951)	(60,951)
Balance, March 31, 2020	43,631,507	\$ 3,662,999	\$ 5,834,496	\$ 882,846	\$ (8,388,541)	\$ 1,550,297
Balance, December 31, 2020	58,865,084	\$ 5,088,097	\$ 5,935,582	\$ 343,143	\$ (8,774,858)	\$ 2,591,964
Shares issued - warrant exercise	105,000	8,374	---	(1,549)	---	6,825
Vesting of stock-based compensation	---	---	154,050	---	---	154,050
Net loss for the period	---	---	---	---	(276,748)	(276,748)
Balance, March 31, 2021	58,970,084	\$ 5,096,471	\$ 6,089,632	\$ 341,594	\$ (9,051,606)	\$ 2,476,091

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

Satori Resources Inc.

Interim Condensed Statements of Cash Flows (unaudited)
For the three-month periods ended March 31,
(Expressed in Canadian dollars)

	2021	2020
Cash flows from operating activities		
Net loss for the period	\$ (276,748)	\$ (60,951)
Items not affecting cash		
Accretion	5,842	5,374
Stock-based compensation	154,050	---
	(106,856)	(55,577)
Changes in non-cash items relating to operating activities		
Other receivables	17,042	19,159
Prepaid expenses	(73,079)	(11,818)
Accounts payable and accrued liabilities	20,983	12,471
	(193,876)	(35,765)
Cash flows from investing activities		
Mineral properties expenditures	(26,486)	(4,471)
	(26,486)	(4,471)
Cash flows from financing activities		
Shares issued on exercise of warrants	6,825	---
	6,825	---
Increase (decrease) in cash	(213,537)	(40,236)
Cash, beginning of the period	1,259,568	519,590
Cash, end of the period	\$ 1,046,031	\$ 479,354

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

Satori Resources Inc.

Notes to the Condensed (Unaudited) Interim Financial Statements

March 31, 2021 and 2020

Expressed in Canadian dollars unless otherwise indicated

1. Incorporation and Basis of Presentation

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”).

The Company’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 May 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.

At March 31, 2021, Satori had \$1,046,031 in cash (December 31, 2020 - \$1,259,568). 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 unaudited interim condensed 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 March 31, 2021, Satori has no source of recurring operating cash flows, has an accumulated deficit of \$9,051,606 (December 31, 2020 – \$8,774,858) and working capital of \$1,133,434 (December 31, 2020 - \$1,269,951). In the absence of additional financing or strategic alternatives, these factors cast significant doubt regarding the Company’s ability to continue as a going concern.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company 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 unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of presentation

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

Satori Resources Inc.

Notes to the Condensed (Unaudited) Interim Financial Statements

March 31, 2021 and 2020

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3. Significant Accounting Policies (continued)

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:

- the recoverability of the deferred exploration and development expenditures recorded in the statements of financial position; and
- inputs used to account for the value of the asset retirement obligation, including the inflation rate, the risk-free interest rate and the estimated life of the property.

New Accounting Standards Issued But Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

IFRSs effective as of January 1, 2021 Interest Rate Benchmark Reform – IBOR ‘phase 2’ (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments have had no impact on the condensed interim consolidated financial statements. Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors has been updated. The definition of “material” is being clarified for purpose of improving consistency and application of the concept where applicable. The standard is effective for annual periods beginning on or after January 1, 2020. This new standard and changes did not have any material impact on the Company’s financial statements.

4. Capital Management

The capital of Satori consists of shareholders' equity. The Company’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.

Satori Resources Inc.

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5. Mineral Properties and Deferred Exploration and Development Expenditures

	Dec 31, 2019	Additions	Dec 31, 2020	Additions	Mar 31, 2021
Tartan Lake:					
Acquisition	\$ 583,560	\$ ---	\$ 583,560	\$ ---	\$ 583,560
Exploration	3,707,351	187,637	3,894,988	26,486	3,921,474
Proceeds from sale of gold	(49,433)	---	(49,433)	---	(49,433)
Change in site restoration provision (note 6)	308,453	---	308,453	---	308,453
Impairment of properties	(2,384,271)	---	(2,384,271)	---	(2,384,271)
Total Tartan Lake	2,165,660	187,637	2,353,297	26,486	2,379,783
New Delhi:					
Acquisition	---	54,400	54,400	---	54,400
Total New Delhi	---	54,400	54,400	---	54,400
TOTAL	\$ 2,165,660	\$ 242,037	\$ 2,407,697	\$ 26,486	\$ 2,434,183

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 \$1,091,526 (December 31, 2020 - \$1,085,684) 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 three months ended March 31, 2021, accretion expense of \$5,842 (Three months ended March 31, 2020 - \$5,374) was recorded.

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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
Warrant exercise – cash	105,000	6,825
Warrant exercise – equity	---	1,549
Balance, March 31, 2021	58,970,084	\$ 5,096,471

See note 13 for Satori's flow-through expenditure commitment at March 31, 2021.

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, 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
Exercised	105,000	0.065
Balance, March 31, 2021	16,300,000	\$ 0.06

Satori Resources Inc.

Notes to the Condensed (Unaudited) Interim Financial Statements

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7. Share Capital (Cont'd)

Warrants Outstanding

Warrant Type	Number of Warrants	Value Assigned	Exercise Price	Date of Expiry
Investors	1,900,000	28,023	0.065	June 15, 2021
Investors	11,800,000	256,954	0.060	November 22, 2021
Investors	2,600,000	56,617	0.060	December 21, 2021
Balance, March 31, 2021	16,300,000	\$ 341,594		

Contributed Surplus

The following is a summary of changes in contributed surplus for the year ended December 31, 2020 and the period ended March 31, 2021:

	March 31, 2021	December 31, 2020
Opening balance	\$ 5,935,582	\$ 5,834,496
Expiry of warrants	---	31,500
Book value of options exercised	---	(35,484)
Vesting of share-based payments	154,050	105,070
Ending balance	\$ 6,089,632	\$ 5,935,582

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 the Company's issued and outstanding common shares. The Company 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.

	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
Granted	1,500,000	0.15	
Expired	(50,000)	0.205	
Balance, March 31, 2021	1,500,000	\$0.11	3.63

Satori Resources Inc.

Notes to the Condensed (Unaudited) Interim Financial Statements

March 31, 2021 and 2020

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

On March 30, 2021, the Company granted 1,500,000 stock options to directors, officers and consultants. The stock options carry an exercise price of \$0.15, and vest immediately. The value ascribed to this issue was \$154,050 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – \$0.14; risk free rate of return – 0.97%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. The Company recognized stock-based compensation expense of \$154,050 during the quarter ended March 31, 2021 in relation to the vesting of these options.

On March 31, 2021, 50,000 options expired unexercised.

9. Loss per Common Share

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

	For the three months ended March 31,	
	2021	2020
Numerator:		
Loss attributable to common shareholders		
- basic and diluted	\$ (276,748)	\$ (60,951)
Denominator:		
Weighted-average common shares outstanding		
- basic and diluted	58,946,751	43,631,507
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)

The options and warrants for the periods ended March 31, 2021 and 2020 were excluded from the computation of diluted loss per share as the potential effect was anti-dilutive.

10. Related Party Transactions and Balances

Management compensation

The Company incurred the following expenditures charged by companies controlled by current directors and officers of the Company:

	For the three months ended March 31,	
	2021	2020
Stock-based compensation (note 8)	\$ 154,050	\$ ---
Management fees	48,500	21,000
Director compensation	23,996	16,000
Director consulting fee	13,600	---
Total management compensation	\$ 240,146	\$ 37,000

As of March 31, 2021, \$48,754 (December 31, 2020 - \$57,689) is owed to management and directors, on account of fees and expenses, and is included in accounts payable and accrued liabilities on the statements of financial position.

A director received project-related consulting fees totaling \$13,600 during the first quarter of 2021. This amount is capitalized and included in mineral properties and deferred exploration and development expenditures on the interim condensed statement of financial position.

Satori Resources Inc.

Notes to the Condensed (Unaudited) Interim Financial Statements

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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. In April 2021, the amount of this deposit was refunded in full.

12. Financial Instruments and Risk Factors

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

Credit risk

Credit risk is the risk of loss associated with the Company's inability to collect accounts receivable and safe keep cash. The Company's receivables consist mainly of a Harmonized Sale Tax (HST) return from the federal government, on which there is no credit risk. The Company 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.

Liquidity risk

The Company manages liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, Satori had cash of \$1,046,031 to settle current financial liabilities of \$89,597 (December 31, 2020 - \$1,259,568 to settle current financial liabilities of \$110,580). Satori has no source of recurring operating cash flows and in the absence of additional financing or strategic alternatives, the Company 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. Commitments

The following table summarizes the Company's flow-through expenditure requirements as at March 31, 2021:

Date of Financing	Dec 30, 2020
	\$
Flow-through proceeds raised	775,465
Eligible expenditures incurred	26,486
<u>Expenditure commitment</u>	<u>748,979</u>

Expenditure deadline

Dec 31, 2021 *

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