MANITOU GOLD INC.
CONSOLIDATED
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN CANADIAN DOLLARS)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Manitou Gold Inc.

Opinion

We have audited the consolidated financial statements of Manitou Gold Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. 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.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner of the audit resulting in this independent auditor's report is Koko Yamamoto.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 21, 2021

Manitou Gold Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	**$ 3,525,086**	$ 2,744,913
Amounts receivable and other assets (note 6)	**172,675**	196,639
Total current assets	**3,697,761**	2,941,552
Non-current assets		
Equipment (note 7)	**34,825**	-
Total assets	**$ 3,732,586**	$ 2,941,552
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 and 15)	**$ 332,218**	$ 162,663
Flow-through share liability (note 10(b))	**315,647**	945,335
Total current liabilities	**647,865**	1,107,998
Non-current liabilities		
Loan payable (note 9)	**60,000**	-
Total liabilities	**707,865**	1,107,998
Shareholders' equity		
Share capital (note 10)	**21,880,675**	19,288,122
Warrants (note 11)	**2,465,398**	1,290,212
Contributed surplus (note 12)	**452,310**	302,510
Deficit	**(21,773,662)**	(19,047,290)
Total shareholders' equity	**3,024,721**	1,833,554
Total shareholders' equity and liabilities	**$ 3,732,586**	$ 2,941,552

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

Nature of Operations and Going Concern (note 1)
Commitments and Contingencies (notes 14 and 17)
Subsequent Events (note 18)

Approved on behalf of the Board:

"Richard Murphy" Director (Signed)

"Guy Mahaffy" Director (Signed)

Manitou Gold Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
General and administrative expense		
Exploration and evaluation expenditures (note 14)	**$ 3,693,202**	$ 1,292,610
Option-based payments (note 12)	**149,800**	278,212
Office and general (note 15)	**530,634**	723,240
Professional fees (note 15)	**80,803**	48,784
Total general and administrative expense	**4,454,439**	2,342,846
Loss before interest and other income	**(4,454,439)**	(2,342,846)
Other income	**287**	275
Flow-through premium income	**1,727,780**	103,187
Net loss and comprehensive loss for the year	**$ (2,726,372)**	$ (2,239,384)
Net loss and comprehensive loss per share - basic and diluted	**$ (0.01)**	$ (0.02)
Weighted average number of shares outstanding - basic and diluted (note 13)	**220,783,163**	117,835,328

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

Manitou Gold Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating activities		
Net loss for the year	**$ (2,726,372)**	$ (2,239,384)
Adjustments for:		
Depreciation (note 7)	**1,833**	-
Option-based payments (note 12)	**149,800**	278,212
Shares issued on acquisition of property rights (note 14)	**180,000**	165,000
Flow-through premium income	**(1,727,780)**	(103,187)
Changes in non-cash working capital items:		
Amounts receivable and other assets	**23,964**	165,361
Accounts payable and accrued liabilities	**169,555**	133,100
Net cash used in operating activities	**(3,929,000)**	(1,600,898)
Investing activity		
Purchase of equipment	**(36,658)**	-
Net cash used in investing activity	**(36,658)**	-
Financing activities		
Issuance of units and shares	**5,006,231**	4,303,700
Cost of issue	**(320,400)**	(288,858)
Proceeds from loan payable	**60,000**	-
Net cash provided by financing activities	**4,745,831**	4,014,842
Net change in cash	**780,173**	2,413,944
Cash, beginning of year	**2,744,913**	330,969
Cash, end of year	**$ 3,525,086**	$ 2,744,913
Supplemental cash flow information		
Broker warrants issued	**$ 187,000**	$ 232,334
Finder's units issued	**$ -**	$ 15,250

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

Manitou Gold Inc.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

Equity attributable to shareholders

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2018	**102,394,676**	**$ 17,064,269**	**$ 554,415**	**$ 409,519**	**$ (17,364,797)**	**$ 663,406**
Issue of units and shares (note 10(b))	78,392,143	4,318,950	-	-	-	4,318,950
Cost of issue (note 10(b))	-	(459,443)	155,335	-	-	(304,108)
Flow-through share liability (note 10(b))	-	(1,048,522)	-	-	-	(1,048,522)
Warrant valuation (note 10(b))	-	(752,132)	752,132	-	-	-
Shares issued for property acquisition (note 14)	3,500,000	165,000	-	-	-	165,000
Warrants expired (note 11)	-	-	(171,670)	-	171,670	-
Stock options expired (note 12)	-	-	-	(385,221)	385,221	-
Option-based payments (note 12)	-	-	-	278,212	-	278,212
Net loss for the year	-	-	-	-	(2,239,384)	(2,239,384)
Balance, December 31, 2019	**184,286,819**	**$ 19,288,122**	**$ 1,290,212**	**$ 302,510**	**$ (19,047,290)**	**$ 1,833,554**
Issue of units and shares (note 10(b))	74,249,625	5,006,231	-	-	-	5,006,231
Cost of issue (note 10(b))	-	(507,400)	187,000	-	-	(320,400)
Flow-through share liability (note 10(b))	-	(1,098,092)	-	-	-	(1,098,092)
Warrant valuation (note 10(b))	-	(988,186)	988,186	-	-	-
Shares issued for property acquisition (note 14)	4,500,000	180,000	-	-	-	180,000
Option-based payments (note 12)	-	-	-	149,800	-	149,800
Net loss for the year	-	-	-	-	(2,726,372)	(2,726,372)
Balance, December 31, 2020	**263,036,444**	**$ 21,880,675**	**$ 2,465,398**	**$ 452,310**	**$ (21,773,662)**	**$ 3,024,721**

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

1. Nature of Operations and Going Concern

Manitou Gold Inc. (the “Company” or "Manitou") was incorporated under the Business Corporations Act (Ontario) and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company’s registered office is located at The Canadian Venture Building, 82 Richmond St. East, Toronto, Ontario, M5C 1P1.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred losses in previous periods, with a current net loss of $2,726,372 for the year ended December 31, 2020 (year ended December 31, 2019 - loss of $2,239,384) and has an accumulated deficit of $21,773,662 as at December 31, 2020 (December 31, 2019 - $19,047,290). The Company had working capital of $3,049,896 at December 31, 2020 (December 31, 2019 - $1,833,554) which it believes is sufficient to support planned operations for the next twelve months. See also note 18.

However, the existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

2. Significant Accounting Policies

Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The consolidated financial statements for the year ended December 31, 2020 were approved and authorized for issue by the Board of Directors on April 21, 2021.

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Basis of Consolidation

These financial statements include the accounts of the Company and of its subsidiary, Kenwest Mines Limited. Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and highly liquid money market investments such as bankers acceptance notes, treasury bills and guaranteed investment certificates, with a maturity of three months or less, or are cashable at any time.

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i. amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and amounts receivable, which are classified as subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities and loan payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Fair Value Hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost, less their estimated residual value, using the declining balance method at the following various rates:

Equipment	- 20%, declining balance basis

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Residual values, estimated useful lives and amortization methods are reviewed at least annually.

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Government Assistance

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that they will be realized. The Company uses the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates. During the year ended December 31, 2020, the Company received grants from Ontario Prospectors Association in the amount of $nil (2019 - $143,295) which has been included in exploration and evaluation expenditures.

The Company recognizes government assistance received under the Canada Emergency Business Account ("CEBA") program as a loan payable in the consolidated statements of financial position. A portion of the CEBA loan may be forgivable if certain criteria are met. The Company will not recognize the forgivable portion of the CEBA loan as income until reasonable assurance of forgiveness has been obtained. See note 9.

2. Significant Accounting Policies (Continued)

Tax Credits and Receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the *Mining Tax Act*. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

Stock-Based Compensation

The Company accounts for all equity-settled stock-based payments using a fair value based method incorporating the Black-Scholes option pricing model.

Under the fair value based method, compensation cost attributable to options granted is measured at fair value at the grant date and is either recorded at the date of grant, in the case of options that vest immediately, or over the vesting period in the case of options that vest over a period of time. In the latter case, the Company estimates forfeitures at the time of grant and the amount recognized as an expense from time to time is adjusted to reflect any changes in the Company’s estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements with non-employees in which the Company receives goods or services as consideration are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of equity instruments granted.

The grant date fair value of options that are unexercised upon expiry is removed from contributed surplus and transferred to deficit.

Flow-Through Shares

Flow-through shares are a unique Canadian tax incentive. Flow-through proceeds are allocated between the offering of the common shares and the renunciation of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted market price of the common shares and the amount the investor pays for the flow-through shares. Flow-through share premium liability is recognized for the premium paid by the investors and is then reversed through the statements of loss and comprehensive loss in the period of renunciation. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

2. Significant Accounting Policies (Continued)

Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. Fully diluted weighted-average common shares outstanding for the years ended December 31, 2020 and 2019 do not include the outstanding stock options and warrants as their exercise would be anti-dilutive in the loss per share calculation.

Income Taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity.

Current income taxes

Current taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred income taxes

The Company accounts for income taxes under the asset and liability method. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases (temporary differences).

Deferred income taxes are measured using the tax rates that are expected to be in effect when the temporary differences are likely to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect on deferred income tax assets and liabilities of a change in tax rates is included in loss in the period in which the change is substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is probable to be realized.

Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the Company's consolidated statements of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

A deferred income tax liability equal to the tax value of flow-through expenditures renounced is recognized only once the Company has fulfilled its obligations associated with the renunciation of related flow-through expenditures, with an offsetting debit to deferred tax expense. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

2. Significant Accounting Policies (continued)

Comprehensive Loss

Comprehensive loss measures net loss for the period plus other comprehensive loss. Other comprehensive loss consists of changes to unrealized gains and losses on available-for-sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Amounts reported as other comprehensive loss are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Loss. To date there has not been any other comprehensive loss and accordingly, net loss equals comprehensive loss.

3. Critical Accounting Estimates and Judgments

Significant assumptions about the future that management has made 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:

- the inputs used in accounting for share-based payment transactions and in valuation of warrants included in shareholders' equity;
- management determination of the ability to raise additional capital and/or obtain financing to advance mineral projects;
- due to the complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on the Company's consolidated financial position or results of operations as at December 31, 2020 and 2019 (see note 17);
- the interpretation of existing tax laws or regulations in Canada which the Company's operations are located requires the use of judgment. Differing interpretation of these laws or regulations could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. In addition, the recoverability of deferred income tax assets, including expected periods of reversal of temporary differences and expectations of future taxable income, are assessed by management at the end of each reporting period; and
- management assumption of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period.

4. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, warrants, contributed surplus and deficit, which at December 31, 2020, totaled $3,024,721 (December 31, 2019 - $1,833,554).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2020 and 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2020, management believes it is compliant with known requirements.

5. Financial Risk Factors

The Company is exposed to credit risk, market risk (consisting of interest rate risk and other price risk), and liquidity risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and believes that its amounts receivable credit risk exposure is limited.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices and consists of two types of risk: interest rate risk and other price risk.

(i) Interest rate risk arises because of changes in market interest rates.

(ii) Other price risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's cash is subject to minimal risk of changes in value.

(Expressed in Canadian Dollars)

5. Financial Risk Factors (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. The Company's investment policy is to invest its excess cash in high grade investment securities with varying terms to maturity, selected with regard to the expected timing of expenditures for continuing operations. Amounts payable and other liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at December 31, 2020, the Company has accounts payable and accrued liabilities of $332,218 (December 31, 2019 - $162,663) due within 12 months and has cash of $3,525,086 (December 31, 2019 - $2,744,913) to meet its current obligations. Included in cash of $3,525,086 as at December 31, 2020 is approximately $573,000 that the Company has committed to spend on qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021 (See note 17).

COVID-19

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of essential supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

The Canadian government has not introduced measures which impede the activities of Manitou. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Manitou in future periods.

6. Amounts Receivable and Other Assets

	December 31, 2020	December 31, 2019
Sales tax receivable - (Canada)	**$ 93,108**	$ 5,591
Prepaid expenses	**79,567**	166,048
Subscription receivable	**-**	25,000
Total	**$ 172,675**	$ 196,639

(Expressed in Canadian Dollars)

7. Equipment

Cost		**Equipment**
Balance, December 31, 2018 and December 31, 2019	$	-
Additions		36,658
Balance, December 31, 2020	$	36,658

Accumulated Depreciation		**Equipment**
Balance, December 31, 2018 and December 31, 2019	$	-
Depreciation for the year		1,833
Balance, December 31, 2020	$	1,833

Carrying Value		**Equipment**
Balance, December 31, 2019	$	-
Balance, December 31, 2020	$	34,825

8. Accounts Payable and Accrued Liabilities

		December 31, 2020		**December 31, 2019**
Trade payables	**$**	**317,518**	$	147,963
Accrued liabilities		**14,700**		14,700
Total	**$**	**332,218**	$	162,663

9. Loan Payable

In August 2020, the Company received $40,000 under the CEBA program. 25% of the loan is forgivable if repaid by December 31, 2022. The loan accrues no interest until December 31, 2022, and thereafter converts to a 3-year term loan with a 5% annual interest rate. Any portion of the loan is repayable without penalty at any time prior to December 31, 2025.

In December 2020, the Company received an additional $20,000 under the CEBA program. The terms of the repayment are the same as the first advance, and $10,000 of the additional advance will be forgiven if the remaining $10,000 is repaid in full by December 31, 2022.

(Expressed in Canadian Dollars)

10. Share Capital

(a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued

At December 31, 2020, the issued share capital amounted to $21,880,675. The changes in issued share capital for the years presented were as follows:

	Number of Shares	Amount
Balance at December 31, 2018	**102,394,676**	**$ 17,064,269**
Issue of units and shares (i)(ii)(iii)	78,392,143	4,318,950
Cost of issue (i)(ii)(iii)	-	(459,443)
Warrant valuation (i)(ii)(iii)	-	(752,132)
Flow-through share liability (ii)(iii)	-	(1,048,522)
Shares issued for property acquisition (note 14)	3,500,000	165,000
Balance at December 31, 2019	**184,286,819**	**$ 19,288,122**
Issue of units and shares (iv)(v)(vi)	74,249,625	5,006,231
Cost of issue (iv)(vi)	-	(507,400)
Warrant valuation (iv)(vi)	-	(988,186)
Flow-through share liability (iv)(vi)	-	(1,098,092)
Shares issued for property acquisition (note 14)	4,500,000	180,000
Balance at December 31, 2020	**263,036,444**	**$ 21,880,675**

(i) On February 28, 2019, the Company completed a non-brokered private placement (the "February 2019 Offering") pursuant to which it has issued (i) 7,310,000 units ("February 2019 Hard Units") at a price of $0.08 per February 2019 Hard Unit to raise aggregate gross proceeds of $584,800; and (ii) 3,750,000 flow-through units ("February 2019 FT Units") at a price of $0.08 per February 2019 FT Unit to raise aggregate gross proceeds of $300,000. Each February 2019 Hard Unit consists of one common share of the Company and one-half of one share purchase warrant (each whole such share warrant, a "February 2019 Warrant"), and each February 2019 FT Unit consists of one flow-through common share of the Company and one-half of one February 2019 Warrant. Each February 2019 Warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 and expires 3 years from the closing date of the February 2019 Offering. Insiders of the Company subscribed for an aggregate 3,750,000 February 2019 FT Units in the Offering, being Mr. Richard Murphy, CEO of the Company, subscribing for 2,500,000 February 2019 FT Units and Mr. Patrice Dubreuil, former President of the Company, subscribing for 1,250,000 February 2019 FT Units.

10. Share Capital (Continued)

(b) Common shares issued (continued)

(i) (continued) The 5,530,000 February 2019 Warrants issued were assigned a value of $236,539 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.79%;
- Expected life: 3 years;
- Expected volatility: 155% based on historical trends;
- Share price: $0.06; and
- Expected dividend yield: 0%.

(ii) On June 6, 2019, the Company completed a non-brokered private placement (the "June 2019 Offering") pursuant to which it has issued (i) 3,650,000 units ("June 2019 Hard Units") at a price of $0.05 per June 2019 Hard Unit to raise aggregate gross proceeds of $182,500; and (ii) 3,377,143 flow-through common shares ("June 2019 FT Shares") at a price of $0.07 per June 2019 FT Share to raise aggregate gross proceeds of $236,400. Each June 2019 Hard Unit consists of one common share of the Company and one-half of one share purchase warrant (each whole warrant, a "June 2019 Warrant"). Each June 2019 Warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.10 and expires 2 years from the closing date of the June 2019 Offering. In connection with the June 2019 Offering, the Company also issued an aggregate of 305,000 June 2019 Hard Units as finders' fees, as well as 305,000 broker warrants ("June 2019 Broker Warrants"), which each June 2019 Broker Warrant being exercisable to acquire one June 2019 Hard Unit at an exercise price of $0.05 until June 6, 2021. Mr. Carmelo Marrelli, an officer of the Company, subscribed for 200,000 June 2019 Hard Units.

The 1,977,500 June 2019 Warrants issued were assigned a value of $42,925 and the 305,000 June 2019 Broker Warrants issued were assigned a value of $10,558 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.38%;
- Expected life: 2 years;
- Expected volatility: 143% based on historical trends;
- Weighted average share price: $0.04; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of $103,187 on the June 2019 FT Shares which is included in flow-through share liability and has a commitment to incur $236,400 on exploration expenditures.

10. Share Capital (Continued)

(b) Common shares issued (continued)

(iii) On December 31, 2019, the Company completed a non-brokered private placement (the "December 2019 Offering") pursuant to which it issued (i) 20,000,000 units ("December 2019 Units") at a price of $0.05 per unit to raise aggregate gross proceeds of $1,000,000; and (ii) 40,000,000 flow-through common shares ("December 2019 FT Shares") at a price of $0.05 per common share to raise aggregate gross proceeds of $2,000,000. Each December 2019 Unit consists of one common share of the Company and one share purchase warrant ("December 2019 Warrant"). Each December 2019 Warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.05 and expires 5 years from the closing date of the December 2019 Offering. In connection with the December 2019 Offering, the Company also paid $240,000 of cash brokerage fees and issued an aggregate of 4,800,000 broker warrants ("December 2019 Broker Warrants"). Each December 2019 Broker Warrant entitles the holder to acquire one December 2019 Unit at an exercise price of $0.05 for a period of 5 years from the closing of the December 2019 Offering. Insiders of the Company subscribed for an aggregate of 1,100,000 December 2019 Units in the December 2019 Offering, being Mr. Richard Murphy, CEO of the Company, subscribing for 600,000 December 2019 Units and Mr. Patrice Dubreuil, former President of the Company, subscribing for 500,000 December 2019 Units.

The 20,000,000 December 2019 Warrants issued were assigned a value of $472,668 and the 4,800,000 December 2019 Broker Warrants issued were assigned a value of $221,776 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.68%;
- Expected life: 5 years;
- Expected volatility: 157% based on historical trends; and
- Share price: $0.03; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of $945,335 on the December 2019 FT Shares which is included in flow-through share liability and has a commitment to incur $2,000,000 on exploration expenditures.

Alamos Gold Inc. (“Alamos”) purchased 36,673,077 common shares in connection with the December 2019 Offering, representing approximately 19.9% of the issued and outstanding common shares of Manitou immediately post-closing, as calculated on a non-diluted basis. Prior to the December 2019 Offering, Alamos did not hold any common shares of Manitou. Alamos and Manitou have entered into an Investor Rights Agreement, which provides Alamos with (i) the right to nominate one director to Manitou’s board of directors, (ii) non-dilution rights, such that Alamos can retain its pro-rata ownership in Manitou by participating in any subsequent share issuance, so long as Alamos retains at least 10% ownership of Manitou’s common shares outstanding on a partially diluted basis, and (iii) the right to participate in a joint Exploration Committee which will be established to discuss and advise on exploration strategy for Manitou’s Goudreau Project.

O3 Mining Inc. and its assignees collectively purchased an aggregate of 14,500,000 Units in the December 2019 Offering, representing approximately 7.9% of the issued and outstanding common shares of Manitou immediately post-closing, as calculated on a non-diluted basis (or 15.7% on a partially diluted basis assuming exercise of the warrants comprising such Units only). Manitou granted O3 Mining Inc. the right to nominate one director to Manitou’s board of directors, as well as non-dilution rights such that O3 Mining Inc. can retain the pro-rata ownership of it and its assignees in Manitou as held immediately post-closing by participating, directly or through assignees, in any subsequent share issuance, so long as O3 Mining Inc. and its assignees retain at least 7.5% of Manitou’s outstanding common shares, as calculated on a partially diluted basis.

10. Share Capital (Continued)

(b) Common shares issued (continued)

(iv) On February 13, 2020, the Company completed a private placement ("February 2020 Offering") pursuant to which it issued (i) 28,888,666 units (the "February 2020 Hard Units") at a price of $0.06 per unit to raise aggregate gross proceeds of $1,733,320; and (ii) 11,999,998 flow-through common shares ("February 2020 FT Shares") at a price of $0.075 per share to raise gross proceeds of $900,000. Each February 2020 Hard Unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.09 until the date which is 3 years from the closing date of the February 2020 Offering. Alamos Gold Inc. ("Alamos") subscribed for 4,520,000 February 2020 Hard Units and Mr. Blair Zarisky, a director of the Company, subscribed for 266,666 February 2020 FT Shares.

The 28,888,666 warrants issued were assigned a value of $584,186 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.47%;
- Expected life: 3 years;
- Expected volatility: 139% based on historical trends; and
- Unit price: $0.06; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of $466,440 on the February 2020 FT Shares which is included in flow-through share liability and has a commitment to incur $900,000 on exploration expenditures.

In connection with the February 2020 Offering, the Company paid a cash commission and other fees of $208,780 and issued an aggregate of 2,608,026 broker warrants. Each broker warrant is exercisable to acquire one February 2020 Hard Unit at an exercise price of $0.06 for a period of 3 years following the closing of the February 2020 Offering.

The 2,608,026 broker warrants issued were assigned a value of $145,000 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.47%;
- Expected life: 3 years;
- Expected volatility: 139% based on historical trends; and
- Unit price: $0.06; and
- Expected dividend yield: 0%.

(v) On June 30, 2020, in connection with the shares issued for property acquisition (see note 14), Alamos exercised its right to maintain its pro rata interest in the Company and subscribed for an aggregate of 1,118,000 common shares at a price of $0.05 per share for gross proceeds of $55,900.

10. Share Capital (Continued)

(b) Common shares issued (continued)

(vi) On September 30, 2020, the Company completed a private placement ("September 2020 Offering") pursuant to which it issued (i) 19,495,184 units (the "September 2020 Hard Units") at a price of $0.06 per unit to raise aggregate gross proceeds of $1,169,711; and (ii) 12,747,777 flow-through common shares ("September 2020 FT Shares") at a price of $0.09 per share to raise gross proceeds of $1,147,300. Each September 2020 Hard Unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.12 until the date which is 2 years from the closing date of the September 2020 Offering. Insiders of the Company subscribed for an aggregate of 6,000,000 September 2020 Hard Units in the September 2020 Offering, being Mr. Richard Murphy, CEO of the Company, Mr. Patrice Dubreuil, an officer and former President of the Company, and Mr. Donato Sferra, an officer of the Company, subscribing for 2,000,000 September 2020 Hard Units each. O3 Mining Inc. also participated in the September 2020 Offering, subscribing for 12,150,000 September 2020 FT Shares.

The 19,495,184 warrants issued were assigned a value of $404,000 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.25%;
- Expected life: 2 years;
- Expected volatility: 139% based on historical trends; and
- Unit price: $0.06; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of $631,652 on the September 2020 FT Shares which is included in flow-through share liability and has a commitment to incur $1,147,300 on exploration expenditures.

In connection with the September 2020 Offering, the Company paid a cash commission and other fees of $111,620 and issued an aggregate of 1,310,024 broker warrants. Each broker warrant is exercisable to acquire one September 2020 Hard Unit at an exercise price of $0.06 for a period of 2 years following the closing of the September 2020 Offering.

The 1,310,024 broker warrants issued were assigned a value of $42,000 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.25%;
- Expected life: 2 years;
- Expected volatility: 139% based on historical trends; and
- Unit price: $0.06; and
- Expected dividend yield: 0%.

(Expressed in Canadian Dollars)

11. Warrants

The following table reflects the continuity of warrants for the years ended December 31, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2018	**12,644,033**	**$ 0.14**
Warrants granted (note 10(b))	32,612,500	0.08
Warrants expired	(3,865,333)	0.13
Balance at December 31, 2019	**41,391,200**	**$ 0.09**
Warrants granted (note 10(b))	52,301,900	0.10
Balance at December 31, 2020	**93,693,100**	**$ 0.09**

The Company had the following warrants outstanding at December 31, 2020:

Number of Warrants		Weighted Average Exercise Price ($)	Expiry Date
1,977,500		0.10	June 6, 2021
305,000	(i)	0.05	June 6, 2021
8,677,900		0.15	July 31, 2021
100,800	(ii)	0.08	July 31, 2021
5,530,000		0.15	February 28, 2022
19,495,184		0.12	September 30, 2022
1,310,024	(iii)	0.06	September 30, 2022
28,888,666		0.09	February 13, 2023
2,608,026	(iv)	0.06	February 13, 2023
20,000,000		0.05	December 31, 2024
4,800,000	(v)	0.05	December 31, 2024
93,693,100		**0.09**	

(i) Exercisable into a unit, comprised of one common share and one half purchase warrant exercisable at $0.10 for a period of two years.
(ii) Exercisable into a unit, comprised of one common share and one half purchase warrant exercisable at $0.15 for a period of two years.
(iii) Exercisable into a unit, comprised of one common share and one purchase warrant exercisable at $0.12 for a period of two years.
(iv) Exercisable into a unit, comprised of one common share and one purchase warrant exercisable at $0.09 for a period of three years.
(v) Exercisable into a unit, comprised of one common share and one purchase warrant exercisable at $0.05 for a period of five years.

(Expressed in Canadian Dollars)

12. Stock Options

The Company has a formal stock option plan (the "Plan"). At the annual and special meeting held on June 20, 2019, the Company passed a resolution amending the existing stock option plan of the Company to provide for the issuance thereunder of such number of common shares of the Company as is equal to 10% of the aggregate number of common shares of the Company issued and outstanding from time to time. The following table reflects the continuity of stock options for the years ended December 31, 2020 and 2019:

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2018	**6,250,000**	**$ 0.10**
Stock options granted (i)	11,050,000	0.10
Stock options expired	(5,950,000)	0.10
Balance at December 31, 2019	**11,350,000**	**$ 0.10**
Stock options granted (ii)(iii)	4,000,000	0.10
Balance at December 31, 2020	**15,350,000**	**$ 0.10**

(i) On July 9, 2019, the Company granted 11,050,000 stock options to the directors and officers of the Company exercisable at a price of $0.10 per common share. The options vest immediately and expire in two years. The grant date fair value of $278,212 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.045, expected dividend yield of 0%, expected volatility of 143% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.64% and an expected maturity of 2 years. For the year ended December 31, 2020, $nil (year ended December 31, 2019 - $278,212) was expensed to option-based payments.

(ii) On February 14, 2020, the Company issued an aggregate of 3,000,000 stock options to a director, an officer and a consultant of the Company. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of $0.10 until February 14, 2022 and vests immediately. The grant date fair value of $119,800 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.065, expected dividend yield of 0%, expected volatility of 155% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.37% and an expected maturity of 2 years. For the year ended December 31, 2020, $119,800 was expensed to option-based payments.

(iii) On June 29, 2020, the Company issued 1,000,000 stock options to a director of the Company. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of $0.10 until June 29, 2025 and vests immediately. The grant date fair value of $30,000 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of $0.035, expected dividend yield of 0%, expected volatility of 150% which is based on historical volatility of the Company's share price, risk-free rate of return of 0.36% and an expected maturity of 5 years. For the year ended December 31, 2020, $30,000 was expensed to option-based payments.

(Expressed in Canadian Dollars)

12. Stock Options (Continued)

The Company had the following stock options outstanding as of December 31, 2020:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
11,050,000	11,050,000	0.10	0.52	July 9, 2021
100,000	100,000	0.10	2.62	August 13, 2023
200,000	200,000	0.10	2.74	September 26, 2023
3,000,000	3,000,000	0.10	1.13	February 14, 2022
1,000,000	1,000,000	0.10	4.50	June 29, 2025
15,350,000	**15,350,000**	**0.10**	**0.94**	

13. Net Loss per Common Share

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shares of $2,726,372 (year ended December 31, 2019 - loss of $2,239,384) and the weighted average number of common shares outstanding of 220,783,163 (year ended December 31, 2019 - 117,835,328) for basic and diluted loss per share. Diluted loss per share did not include the effect of warrants and options for the year ended December 31, 2020 and year ended December 31, 2019, as they are anti-dilutive.

14. Exploration and Evaluation Expenditures Incurred

	Year Ended December 31, 2020	Year Ended December 31, 2019
Kenwest (a)	**$ 47,298**	$ 138,859
Gaffney (c)	**450**	231
Goudreau area properties		
Goudreau (b)(i)	**893,417**	649,253
Rockstar (d)	**805,416**	74,192
Stover (g)	**1,702,697**	259,156
Renabie East - Easy Lake (h)	**243,924**	170,919
	$ 3,693,202	$ 1,292,610

For details on the exploration and evaluation expenditures see the attached schedules at the end of these statements.

14. Exploration and Evaluation Expenditures (Continued)

(a) Kenwest Property – Kenora Mining Division, Ontario

The Company holds 100% of the issued and outstanding shares of Kenwest Mines Limited (“Kenwest”), which holds a 100% undivided interest and title in patented mining claims and mining licenses of occupation in the Township of Boyer Lake, Kenora Mining Division (collectively, the “Kenwest Property”).

(b) Goudreau Property – Sault Ste. Marie Mining Division, Ontario

On September 12, 2017, the Company signed a binding agreement and acquired four contiguous parcels of land totaling approximately 160 acres of patented surface and mining rights located in Jacobson Township within the Sault Ste. Marie Mining Division (collectively, the "Goudreau Property"). The Goudreau Property has been acquired in consideration of: (i) the issuance of 200,000 common shares of the Company (issued), (ii) a cash payment to the vendor in the amount of $60,000 (paid), and (iii) the issuance to the vendor of a net smelter royalty ("NSR") of 1% on production generated on the Goudreau Property (which may be purchased by Manitou at any time for a cash payment to the vendor in the amount of $1,000,000).

(c) Gaffney Extension Property – Kenora Mining Division, Ontario

Pursuant to a letter agreement dated January 31, 2011, the Company acquired 100% of 1 unpatented mining claim in the Township of Lower Manitou Lake, Kenora Mining Division (the "Gaffney Extension Property”). The optionors of the Gaffney Extension Property are entitled to a 2.5% NSR on production generated on the Gaffney Extension Property. The Company may purchase a 1.25% NSR (resulting in the optionors holding a 1.25% NSR) by making a cash payment of $1,250,000.

The Company also holds additional unpatented mining claims in the Townships of Lower Manitou Lake and Mang Lake, Kenora Mining Division.

The Company holds a 100% interest in non-contiguous claims (the "Aaronson Creek Claims") that are located within the outer property boundary of the Company’s Gaffney Extension Property claims. This interest is subject to a 2% NSR of which the Company may purchase a 1% NSR by making a cash payment of $1,000,000.

Pursuant to an asset transfer agreement dated September 27, 2013, the Company purchased a 100% interest in patented mining claims and mining licenses of occupation (the “Gaffney Patents”) that are located adjacent to the Company’s Gaffney Property. The optionors of the Gaffney Patents are entitled to a 2% NSR on production generated on the Gaffney Property. The Company may purchase a 1% NSR (resulting in the optionors holding a 1% NSR) by making a cash payment of $1,000,000.

(d) Rockstar Property – Sault Ste. Marie Mining Division, Ontario

On March 20, 2018, the Company entered into a binding purchase agreement to purchase the property known as the "Rockstar" Property, comprised of 16 unpatented mining claims located in Jacobson and Riggs Townships, Ontario (collectively, the "Rockstar Property"). On April 4, 2018, as a consideration for the acquisition of a 100% interest in the Rockstar Property, the Company made a cash payment of $200,000 and issued an aggregate of 4,000,000 common shares to the Vendor valued at $440,000 at $0.11 per share based on the quoted price on date of issue. In addition, the Company has granted a 1% NSR to the vendor at closing, one-half of which may be purchased by the Company for $500,000. The Property is also subject to an existing 2% NSR in favour of a third party, one-half of which may be purchased by the Company for $1,000,000.

14. Exploration and Evaluation Expenditures (Continued)

(e) Dog Lake Property – Sault Ste. Marie Mining Division, Ontario

On September 25, 2018, the Company entered into a letter agreement to acquire the Dog Lake Property, which is located in the Goudreau-Localsh deformation zone ("GLDZ"), comprised of 82 mining claims covering a total area of over 3,800 acres along the GLDZ. In consideration for the 100% purchase of the Dog Lake Property, the Company issued 800,000 common shares of the Company valued at $52,000 at $0.065 per share based on the quoted price at date of issue and paid $5,000 on closing. There is an underlying 2.0% NSR payable to the underlying vendor. The Company has agreed with the underlying vendor, who holds the NSR, to allow for the purchase by the Company of half (1.0%) of the underlying 2% NSR at any time for cash consideration of $1,000,000.

(f) Midas Property – Kenora Mining Division, Ontario

On September 19, 2018, the Company entered into a letter agreement to acquire the Midas Gold Property, which is located in the GLDZ, comprised of mining claims covering a total area of over 5,500 acres along the GLDZ. In consideration for the 100% purchase of the Midas Property, the Company issued 2,250,000 common shares of the Company valued at $146,250 at $0.065 per share, paid $50,000 on closing, and granted the vendors a 0.5% NSR on the property. The NSR is subject, at any time to a 100% buy back from the vendors for a cash consideration of $500,000. There is an underlying 2.0% NSR payable to the original vendors, half of which (1.0%) can be repurchased at any time for cash consideration of $1,000,000.

(g) Stover Property – Sault Ste. Marie Mining Division, Ontario

On June 18, 2019, the Company entered into an option agreement with a group of optionees providing for the grant to the Company an option to acquire a 100% interest in the property known as the Stover property, subject to 2% net smelter royalty ("NSR"). The Company may earn its interest in the Stover property by:

(i) transferring certain assessment credits to the optionees in the amount of up to $60,000;
(ii) issuing an aggregate of 2,000,000 common shares (issued);
(iii) making a cash payment of $30,000 upon receipt of TSX Venture Exchange ("TSXV") approval (paid);
(iv) making additional payments aggregating $600,000 in tranches over a three year period (which may be satisfied in cash or common shares of the Company at the prevailing market price at the time of issuance; $100,000 was paid, which the Company has opted to satisfy by the issuance of 2,000,000 common shares); and
(v) the completion of exploration expenditures of $510,000 (completed) on the property over a three year period (one-half of which may be satisfied by the transfer of assessment credits of the Company from nearby properties).

14. Exploration and Evaluation Expenditures (Continued)

(h) Renabie East Property – Sault Ste. Marie Mining Division, Ontario

On June 18, 2019, the Company entered into an option agreement with a group of optionees providing for the grant to the Company of an option to acquire a 100% interest in the property known as the Renabie East - Easy Lake property, subject to a 2% NSR. The Company may earn its interest in the property by:

(i) issuing an aggregate of 3,000,000 common shares over a three year period (2,000,000 shares issued and valued at $100,000);
(ii) making payments aggregating $200,000 in tranches over a four year period (which may be satisfied in cash or common shares of the Company at the prevailing market price at the time of issuance; $30,000 was paid, which the Company has opted to satisfy by the issuance of 600,000 common shares); and
(iii) the completion of exploration expenditures of $600,000 (approximately $300,000 completed) on the property over a four year period (one-half of which may be satisfied by the transfer of assessment credits of the Company from nearby properties).

(i) Shihan Property – Sault Ste. Marie Mining Division, Ontario

On June 30, 2020, the Company completed the acquisition of the Shihan property, located in Rennie Township, Ontario. In consideration, the Company issued an aggregate of 1,400,000 common shares, valued at $56,000, to the vendors. The property is subject to an existing 2% net smelter royalty in favour of a third party, one-quarter of which may be purchased by the vendors for $500,000. The property has been incorporated into the Company's Goudreau Project.

(j) Canamerica Property – Kenora Mining Division, Ontario

Pursuant to an option agreement dated June 3, 2009, the Company was granted an option to acquire unpatented mining claims in the Township of Boyer Lake, Kenora Mining Division (collectively, the “Canamerica Optioned Property”). Pursuant to the option agreement, the Company exercised its option to acquire the Canamerica Optioned Property by making cash payments totaling $80,000, issuing a total 800,000 common shares and granting a 2.5% NSR. The Company can purchase 1% of the NSR for $1,000,000. The Company acquired a 100% beneficial interest in additional claims that were contiguous to the Canamerica Optioned Property (the Canamerica Optioned Property and additional claims collectively referred to as the “Canamerica Property”). These additional claims are also subject to the NSR to which the Canamerica Optioned Claims are subject, as described above.

(k) Sherridon Property – Kenora Mining Division, Ontario

Pursuant to a letter agreement dated January 29, 2010, the Company was granted an option to acquire three unpatented mining claims in the Townships of Mang Lake and Lower Manitou Lake, Kenora Mining Division (the "Sherridon Optioned Property”). Pursuant to the letter agreement, the Company exercised its option to acquire the Sherridon Property by making cash payments totaling $98,500 and issuing a total of 200,000 shares of the Company, over a three year period. The shares have been valued based on the quoted market price at the time of grant. The agreement is also subject to a 2% NSR. The Company can purchase a 1% NSR for $1,000,000. Since entering into the option agreement, the Company acquired a 100% beneficial interest in additional claims that were contiguous to the Sherridon Optioned Property (the Sherridon Optioned Property and the additional claims collectively referred to as the “Sherridon Property”).

15. Related Party Balances and Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

During the year ended December 31, 2020, the Company paid professional fees and disbursements of $69,306 (year ended December 31, 2019 - $57,281) to Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filing Services Limited, and Marrelli Press Release Services Ltd., together known as the "Marrelli Group", for:

(i) Carmelo Marrelli, Managing Director of the Marrelli Group, to act as the Chief Financial Officer ("CFO") of the Company;
(ii) Bookkeeping services;
(iii) Regulatory filing services; and
(iv) Corporate secretarial services.

These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at December 31, 2020, the Marrelli Group was owed $1,490 (December 31, 2019 - $17,444).

Salaries paid to key management personnel for the year ended December 31, 2020 totaled $237,277 (year ended December 31, 2019 - $657,348). Option-based payments to key management personnel for the year ended December 31, 2020 totaled $69,333 (year ended December 31, 2019 - $278,212). Key management personnel are comprised of the Company's Chief Executive Officer ("CEO"), the President and the Company's CFO. As at December 31, 2020, key management personnel (excluding the CFO) were owed $nil (December 31, 2019 - $50,809). The Board of Directors do not have employment or service contracts with the Company. Directors and officers are entitled to stock options for their services.

As at December 31, 2020, Alamos controls 42,311,077 common shares, or approximately 16.1% of the total common shares outstanding of the Company. Alamos also holds 4,520,000 warrants to acquire additional 4,520,000 common shares of the Company at an exercise price of $0.09 per share. No other person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all the common shares of the Company.

See notes 10(b) and 18 for details regarding related party participation in the private placements.

(Expressed in Canadian Dollars)

16. Income Taxes

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax expense in the financial statements:

	2020	**2019**
Loss before income taxes	**$ (2,726,372)**	$ (2,239,384)
Statutory rate	**26.5%**	26.5%
Expected income tax recovery	**(722,000)**	(593,000)
Option-based payments	**40,000**	74,000
Non-deductible expenses	**-**	2,000
Change in deferred taxes not recognized	**682,000**	517,000
Income tax expense (recovery)	**$ -**	$ -

Deferred Income Taxes

The deductible temporary differences that give rise to deferred income tax assets are presented below:

	2020	**2019**
Non-capital loss carry forwards	**$ 7,541,000**	$ 6,695,000
Share issue costs and other	**750,000**	477,000
Mineral properties and deferred exploration costs	**13,558,000**	13,339,000
Other temporary differences	**119,000**	85,000
Total deductible temporary differences	**$ 21,968,000**	$ 20,596,000

The Company has not recorded any deferred income tax asset because it believes it is not probable that sufficient taxable income will be realized during the carryforward period to utilize the deferred income tax asset.

Loss Carry Forwards

As at December 31, 2020, the Company has non-capital tax loss carryforwards of $7,541,000 expiring as follows:

2029	$ 452,000
2030	507,000
2031	997,000
2032	1,020,000
2033	371,000
2034	694,000
2035	605,000
2036	266,000
2037	362,000
2038	522,000
2039	901,000
2040	844,000
	$ 7,541,000

17. Commitments and Contingencies

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with government agencies, suppliers, consultants, and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Employment Agreements

Pursuant to an executive employment agreement with the CEO, in the event of termination without cause, the CEO is entitled to 12 months' base salary plus a further month's salary for each completed year of service since May 1, 2015. In the event of termination, the CEO is entitled to receive payment of $210,000. In the event of a change of control of the Company, the CEO is entitled to receive a payment equal to 24 months' base salary in the sum of $360,000 plus payment equal to the amount of any bonus paid in the previous year.

Pursuant to an executive employment agreement with the Vice President Community and First Nations, in the event of termination without cause, the Vice President Community and First Nations is entitled to three months' base salary. In the event of termination, the Vice President Community and First Nations is entitled to receive payment of $33,750. In the event of a change of control of the Company, the Vice President Community and First Nations is entitled to receive a payment equal to 24 months' base salary in the sum of $270,000.

Pursuant to an agreement between the Company and a company controlled by the Vice President Corporate Development, the latter party is entitled to receive a cash fee (the "Completion Fee") based on a percentage of the transaction value for certain completed transactions. The receiving company may elect, at its option and sole discretion, to receive up to 50% of the Completion Fee in common shares of the Company at a price per share equal to the deemed price per share applicable in connection with any such completed transaction, as may be applicable and all subject to regulatory approval.

Flow-Through Expenditures

In connection with the flow-through share financings in September 2020 (see note 10(b)(vi)), the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of $1,147,300 by December 31, 2021. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at December 31, 2020, the Company is required to incur qualifying exploration expenditures of approximately $573,000 by December 31, 2021. See note 18.

18. Subsequent Event

On April 9, 2021, the Company completed a private placement (the "April 2021 Offering") pursuant to which it issued 45,740,909 flow-through common shares at a price of $0.11 per share to raise aggregate gross proceeds of $5,031,500. In connection with the April 2021 Offering, the Company issued an aggregate of 1,381,864 broker warrants, each entitling the holder to acquire one common share of the Company at a purchase price of $0.11 per share for a period of 3 years from the closing of the April 2021 Offering. Alamos purchased an aggregate of 15,900,000 flow-through shares from a third party to maintain its 19.9% interest in the Company (calculated on a partially diluted basis). O3 Mining Inc. participated in the April 2021 Offering, as a result of which, it owns a 9.9% interest in the Company. Officers and directors of the Company also purchased an aggregate of 3,750,000 flow-through shares in the April 2021 Offering.

Manitou Gold Inc.

Consolidated Schedule of Exploration and Evaluation Expenditures Incurred
(Expressed in Canadian Dollars)

Year Ended December 31, 2020	Stover*	Renabie East*	Rockstar*	Gaffney	Goudreau*	Kenwest	Total
Acquisition costs							
Share issuances (note 14)	$ 80,000	$ 44,000	$ -	$ -	$ 56,000	$ -	**$ 180,000**
Property taxes/carrying costs	-	-	-	450	-	3,998	**4,448**
Claim staking	3,285	685	1,525	-	12,630	-	**18,125**
	83,285	44,685	1,525	450	68,630	3,998	**202,573**
Exploration expenditures							
Analysis and lab work	225,048	1,823	63,527	-	85,859	-	**376,257**
Consultants	499,632	71,313	183,850	-	217,415	31,345	**1,003,555**
Field preparation	451,710	515	250,296	-	331,585	11	**1,034,117**
Field supplies and consumables	181,905	96,537	155,130	-	98,400	2,597	**534,569**
Travel and accommodation	16,949	2,719	14,000	-	7,500	2,366	**43,534**
Wages and benefits	244,168	26,332	137,088	-	84,028	6,981	**498,597**
	1,619,412	199,239	803,891	-	824,787	43,300	**3,490,629**
Total exploration and evaluation expenditures	$ 1,702,697	$ 243,924	$ 805,416	$ 450	$ 893,417	$ 47,298	**$ 3,693,202**

* Part of Goudreau area properties

Manitou Gold Inc.
Consolidated Schedule of Exploration and Evaluation Expenditures Incurred
(Expressed in Canadian Dollars)

Year Ended December 31, 2019	Stover*	Renabie East*	Rockstar*	Gaffney	Goudreau*	Kenwest	Total
Acquisition costs							
Cash payment	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ 30,000
Share issuances	90,000	75,000	-	-	-	-	165,000
Property taxes	-	-	-	231	-	4,052	4,283
	120,000	75,000	-	231	-	4,052	199,283
Exploration expenditures							
Analysis and lab work	5,120	5,029	-	-	7,448	-	17,597
Consultants	74,268	39,167	2,277	-	278,836	62,699	457,247
Field preparation	9,007	-	11,004	-	29,101	-	49,112
Field supplies and consumables	8,682	10,103	1,013	-	12,855	2,629	35,282
Legal	-	-	-	-	680	-	680
Travel and accommodation	9,002	7,051	2,481	-	25,580	2,440	46,554
Wages and benefits	33,077	34,569	57,417	-	294,753	67,039	486,855
	139,156	95,919	74,192	-	649,253	134,807	1,093,327
Total exploration and evaluation expenditures	$ 259,156	$ 170,919	$ 74,192	$ 231	$ 649,253	$ 138,859	$ 1,292,610

* Part of Goudreau area properties