
MANITOU GOLD INC.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

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

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash	\$ 4,702,276	\$ 2,744,913
Amounts receivable and other assets (note 3)	141,779	196,639
Total assets	\$ 4,844,055	\$ 2,941,552
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (notes 4 and 11)	\$ 169,177	\$ 162,663
Flow-through share liability (note 6(b))	546,446	945,335
Total current liabilities	715,623	1,107,998
Non-current liabilities		
Loan payable (note 5)	40,000	-
Total liabilities	755,623	1,107,998
Shareholders' equity		
Share capital (note 6)	22,405,475	19,288,122
Warrants (note 7)	2,570,212	1,290,212
Contributed surplus (note 8)	508,510	302,510
Deficit	(21,395,765)	(19,047,290)
Total shareholders' equity	4,088,432	1,833,554
Total shareholders' equity and liabilities	\$ 4,844,055	\$ 2,941,552

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

Nature of Operations (note 1)

Commitments and Contingencies (note 12)

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
General and administrative expense				
Exploration and evaluation expenditures (note 10)	\$ 998,856	\$ 648,841	\$ 2,575,671	\$ 1,103,881
Option-based payments (note 8)	-	278,212	206,000	278,212
Office and general (note 11)	128,094	(3,602)	414,125	596,848
Professional fees (note 11)	45,808	6,515	121,762	42,648
Total general and administrative expense	1,172,758	929,966	3,317,558	2,021,589
Loss before interest and other income	(1,172,758)	(929,966)	(3,317,558)	(2,021,589)
Other income	283	-	283	275
Flow-through premium income	329,800	67,543	968,800	67,543
Net loss and comprehensive loss for the period	\$ (842,675)	\$ (862,423)	\$ (2,348,475)	\$ (1,953,771)
Net loss and comprehensive loss per share - basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted (note 9)	231,143,950	124,243,341	220,783,163	115,361,228

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

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating activities		
Net loss for the period	\$ (2,348,475)	\$ (1,953,771)
Adjustments for:		
Option-based payments (note 8)	206,000	278,212
Shares issued on acquisition of property rights (note 10)	225,000	165,000
Flow-through premium income	(968,800)	(67,543)
Changes in non-cash working capital items:		
Amounts receivable and other assets	54,860	(15,190)
Accounts payable and accrued liabilities	6,514	53,679
Net cash used in operating activities	(2,824,901)	(1,539,613)
Financing activities		
Issuance of units and shares	5,006,231	1,303,700
Cost of issue	(263,967)	(21,915)
Proceeds from loan payable	40,000	-
Net cash provided by financing activities	4,782,264	1,281,785
Net change in cash	1,957,363	(257,828)
Cash, beginning of period	2,744,913	330,969
Cash, end of period	\$ 4,702,276	\$ 73,141
Supplemental cash flow information		
Broker warrants issued	\$ 187,000	\$ 10,558
Finder's units issued	\$ -	\$ 15,250

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

Manitou Gold Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

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 6(b))	18,392,143	1,318,950	-	-	-	1,318,950
Cost of issue (note 6(b))	-	(47,723)	10,558	-	-	(37,165)
Flow-through share liability (note 6(b))	-	(103,187)	-	-	-	(103,187)
Warrant valuation (note 6(b))	-	(253,724)	253,724	-	-	-
Shares issued for property acquisition (note 10)	3,500,000	165,000	-	-	-	165,000
Warrants expired (note 7)	-	-	(145,430)	-	145,430	-
Stock options expired (note 8)	-	-	-	(385,221)	385,221	-
Option-based payments (note 8)	-	-	-	278,212	-	278,212
Net loss for the period	-	-	-	-	(1,953,771)	(1,953,771)
Balance, September 30, 2019	124,286,819	\$ 18,143,585	\$ 673,267	\$ 302,510	\$(18,787,917)	\$ 331,445
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 6(b))	74,249,625	5,006,231	-	-	-	5,006,231
Cost of issue (note 6(b))	-	(450,967)	187,000	-	-	(263,967)
Flow-through share liability (note 6(b))	-	(569,911)	-	-	-	(569,911)
Warrant valuation (note 6(b))	-	(1,093,000)	1,093,000	-	-	-
Shares issued for property acquisition (note 10)	4,500,000	225,000	-	-	-	225,000
Option-based payments (note 8)	-	-	-	206,000	-	206,000
Net loss for the period	-	-	-	-	(2,348,475)	(2,348,475)
Balance, September 30, 2020	263,036,444	\$ 22,405,475	\$ 2,570,212	\$ 508,510	\$(21,395,765)	\$ 4,088,432

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

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

1. Nature of Operations

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 unaudited condensed consolidated interim 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 \$2,348,475 for the nine months ended September 30, 2020 (nine months ended September 30, 2019 - loss of \$1,953,771) and has an accumulated deficit of \$21,395,765 as at September 30, 2020 (December 31, 2019 - \$19,047,290). The Company had working capital of \$4,128,432 at September 30, 2020 (December 31, 2019 - \$1,833,554).

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.

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 assets 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

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2. Significant Accounting Policies

Statement of Compliance

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

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 3, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed consolidated interim financial statements. These adjustments could be material.

Changes in Accounting Policies

IAS 1 - Presentation of Financial statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The objective of this amendment is to improve disclosure effectiveness in the financial statements by improving the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements. The amendments apply prospectively to annual periods beginning on or after January 1, 2020, with earlier application permitted. There was no significant impact from the adoption of these amendments.

3. Amounts Receivable and Other Assets

	September 30, 2020	December 31, 2019
Sales tax receivable - (Canada)	\$ 71,441	\$ 5,591
Prepaid expenses	70,338	166,048
Subscription receivable	-	25,000
Total	\$ 141,779	\$ 196,639

4. Accounts Payable and Accrued Liabilities

	September 30, 2020	December 31, 2019
Trade payables	\$ 110,293	\$ 147,963
Accrued liabilities	58,884	14,700
Total	\$ 169,177	\$ 162,663

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

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5. Loan Payable

In August 2020, the Company received \$40,000 under the Canada Emergency Business Account (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.

6. 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 September 30, 2020, the issued share capital amounted to \$22,405,475. The changes in issued share capital for the periods 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)	18,392,143	1,318,950
Cost of issue (i)(ii)	-	(47,723)
Flow-through share liability (ii)	-	(103,187)
Warrant valuation (i)(ii)	-	(253,724)
Shares issued for property acquisition (note 10)	3,500,000	165,000
Balance at September 30, 2019	124,286,819	\$ 18,143,585
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)	-	(450,967)
Warrant valuation (iv)(vi)	-	(1,093,000)
Flow-through share liability (iv)(vi)	-	(569,911)
Shares issued for property acquisition (note 10)	4,500,000	225,000
Balance at September 30, 2020	263,036,444	\$ 22,405,475

(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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

6. 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

6. 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

6. 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 \$689,000 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
- Share price: \$0.04; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of \$60,000 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 \$184,362 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
- Share price: \$0.07; and
- Expected dividend yield: 0%.

(v) On June 30, 2020, in connection with the shares issued for property acquisition (see note 10), 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

6. 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 \$0.09 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.

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
- Share price: \$0.04; and
- Expected dividend yield: 0%.

The Company recognized a flow-through premium of \$509,911 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 \$79,605 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
- Share price: \$0.05; and
- Expected dividend yield: 0%.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

7. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2018	12,644,033	\$ 0.14
Warrants granted (note 6(b))	7,812,500	0.13
Warrants expired	(3,632,000)	0.13
Balance at September 30, 2019	16,824,533	\$ 0.14
Balance at December 31, 2019	41,391,200	\$ 0.09
Warrants granted (note 6(b))	52,301,900	0.10
Balance at September 30, 2020	93,693,100	\$ 0.09

The Company had the following warrants outstanding at September 30, 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

8. 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 periods ended September 30, 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 September 30, 2019 and December 31, 2019	11,350,000	\$ 0.10
Stock options granted (ii)(iii)	4,000,000	0.10
Balance at September 30, 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 three and nine months ended September 30, 2020, \$nil (three and nine months ended September 30, 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, 2025 and vests immediately. The grant date fair value of \$176,000 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 5 years. For the three and nine months ended September 30, 2020, \$nil and \$176,000, respectively, 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 three and nine months ended September 30, 2020, \$30,000 was expensed to option-based payments.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

8. Stock Options (Continued)

The Company had the following stock options outstanding as of September 30, 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	0.77	July 9, 2021
100,000	100,000	0.10	2.87	August 13, 2023
200,000	200,000	0.10	2.99	September 26, 2023
3,000,000	3,000,000	0.10	4.38	February 14, 2025
1,000,000	1,000,000	0.10	4.75	June 29, 2025
15,350,000	15,350,000	0.10	1.78	

9. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2020 was based on the loss attributable to common shares of \$842,675 and \$2,348,475, respectively (three and nine months ended September 30, 2019 - loss of \$862,423 and \$1,953,771, respectively) and the weighted average number of common shares outstanding of 231,143,950 and 220,783,163, respectively (three and nine months ended September 30, 2019 - 124,243,341 and 115,361,228, respectively) for basic and diluted loss per share. Diluted loss per share did not include the effect of warrants and options for the three and nine months ended September 30, 2020 and three and nine months ended September 30, 2019, as they are anti-dilutive.

10. Exploration and Evaluation Expenditures Incurred

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Kenwest	\$ 18,483	\$ 61,457	\$ 42,008	\$ 115,332
Gaffney	-	-	201	231
Goudreau area properties				
Goudreau (i)	381,053	321,851	702,046	560,876
Rockstar	369,636	13,159	790,223	61,760
Stover (ii)	221,621	177,800	786,269	211,954
Renabie East - Easy Lake (ii)	8,063	74,574	254,924	153,728
	\$ 998,856	\$ 648,841	\$ 2,575,671	\$ 1,103,881

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

10. Exploration and Evaluation Expenditures Incurred (Continued)

(i) 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 \$70,000, 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.

(ii) On June 30, 2020, the Company issued an aggregate of 3,100,000 common shares at a deemed price of \$0.05 per share in satisfaction of option payments due in respect of its Stover and Renabie East properties, comprised of:

- an aggregate of 500,000 common shares, valued at \$25,000, due in respect of the Renabie East option;
- a cash payment valued at \$100,000 due in respect of the Stover option, which the Company has opted to satisfy by the issuance of 2,000,000 common shares; and
- a cash payment valued at \$30,000 due in respect of the Renabie East option, which the Company has opted to satisfy by the issuance of 600,000 common shares.

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

11. 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 three and nine months ended September 30, 2020, the Company paid professional fees and disbursements of \$13,465 and \$48,755, respectively (three and nine months ended September 30, 2019 - \$14,121 and \$44,796, respectively) to Marrelli Support Services Inc., DSA Corporate Services Inc., and DSA Filing Services Limited, 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 September 30, 2020, the Marrelli Group was owed \$872 (December 31, 2019 - \$17,444).

Salaries paid to key management personnel for the three and nine months ended September 30, 2020 totaled \$52,218 and \$177,891, respectively (three and nine months ended September 30, 2019 - \$80,932 and \$560,483, respectively). Option-based payments to key management personnel for the three and nine months ended September 30, 2020 totaled \$nil and \$88,667, respectively (three and nine months ended September 30, 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 September 30, 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.

Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars)

Unaudited

11. Related Party Balances and Transactions (Continued)

As at September 30, 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 note 6(b) for details regarding related party participation in the private placements.

12. 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.

Flow-Through Expenditures

In connection with the flow-through share financings in December 2019 (see note 6(b)(iii)), February 2020 (see note 6(b)(iv)) and September 2020 (see note 6(b)(vi)), the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of \$2,000,000 by December 31, 2020 (incurred) and \$2,047,300 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 September 30, 2020, the Company has incurred qualifying exploration expenditures exceeding the required \$2,000,000 in connection with the flow-through share financing closed in December 2019, and is required to incur qualifying exploration expenditures exceeding \$1,697,000 by December 31, 2021.

Manitou Gold Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures Incurred

(Expressed in Canadian Dollars)

Unaudited

Nine Months Ended September 30, 2020	Stover*	Renabie East*	Rockstar*	Gaffney	Goudreau*	Kenwest	Total
Acquisition costs							
Share issuances (note 10)	\$ 100,000	\$ 55,000	\$ -	\$ -	\$ 70,000	\$ -	\$ 225,000
Property taxes/carrying costs	-	-	-	201	-	2,933	3,134
	100,000	55,000	-	201	70,000	2,933	228,134
Exploration expenditures							
Analysis and lab work	30,996	1,823	63,527	-	27,571	-	123,917
Claim staking	3,285	685	1,525	-	12,630	-	18,125
Consultants	230,902	71,313	183,197	-	207,119	5,942	698,473
Field preparation	259,573	515	250,296	-	263,197	-	773,581
Field supplies and consumables	78,859	96,537	144,365	-	69,740	1,854	391,355
Travel and accommodation	7,270	2,719	13,340	-	5,334	3,115	31,778
Wages and benefits	75,384	26,332	133,973	-	46,455	28,164	310,308
	686,269	199,924	790,223	-	632,046	39,075	2,347,537
Total exploration and evaluation expenditures	\$ 786,269	\$ 254,924	\$ 790,223	\$ 201	\$ 702,046	\$ 42,008	\$ 2,575,671
Three Months Ended September 30, 2020							
Acquisition costs							
Property taxes/carrying costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53	\$ 53
	-	-	-	-	-	53	53
Exploration expenditures							
Analysis and lab work	26,515	-	51,516	-	20,790	-	98,821
Claim staking	465	-	705	-	330	-	1,500
Consultants	80,829	482	82,690	-	72,434	-	236,435
Field preparation	53,030	-	88,915	-	258,197	-	400,142
Field supplies and consumables	12,242	2,176	69,456	-	1,689	1,118	86,681
Travel and accommodation	6,271	15	8,569	-	3,658	-	18,513
Wages and benefits	42,269	5,390	67,785	-	23,955	17,312	156,711
	221,621	8,063	369,636	-	381,053	18,430	998,803
Total exploration and evaluation expenditures	\$ 221,621	\$ 8,063	\$ 369,636	\$ -	\$ 381,053	\$ 18,483	\$ 998,856

* Part of Goudreau area properties

Manitou Gold Inc.

Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures Incurred

(Expressed in Canadian Dollars)

Unaudited

Nine Months Ended September 30, 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	-	3,510	3,741
	120,000	75,000	-	231	-	3,510	198,741
Exploration expenditures							
Analysis and lab work	3,156	4,955	-	-	5,345	-	13,456
Consultants	43,714	38,240	2,277	-	210,625	50,986	345,842
Field preparation	7,421	-	11,004	-	29,101	-	47,526
Field supplies and consumables	7,850	7,444	1,013	-	12,854	2,488	31,649
Legal	-	-	-	-	680	-	680
Travel and accommodation	8,840	6,974	2,481	-	25,086	2,386	45,767
Wages and benefits	20,973	21,115	44,985	-	277,185	55,962	420,220
	91,954	78,728	61,760	-	560,876	111,822	905,140
Total exploration and evaluation expenditures	\$ 211,954	\$ 153,728	\$ 61,760	\$ 231	\$ 560,876	\$ 115,332	\$ 1,103,881

Three Months Ended September 30, 2019	Stover*	Renabie East*	Rockstar*	Gaffney	Goudreau*	Kenwest	Total
Acquisition costs							
Share issuances	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
Property taxes/carrying costs	-	-	-	-	-	52	52
	90,000	-	-	-	-	52	90,052
Exploration expenditures							
Analysis and lab work	3,156	4,955	-	-	5,345	-	13,456
Consultants	43,714	38,240	2,277	-	210,625	50,986	345,842
Field preparation	7,421	-	4,618	-	26,317	-	38,356
Field supplies and consumables	7,850	7,444	1,013	-	229	368	16,904
Legal	-	-	-	-	680	-	680
Travel and accommodation	8,840	6,974	2,481	-	25,086	1,743	45,124
Wages and benefits	16,819	16,961	2,770	-	53,569	8,308	98,427
	87,800	74,574	13,159	-	321,851	61,405	558,789
Total exploration and evaluation expenditures	\$ 177,800	\$ 74,574	\$ 13,159	\$ -	\$ 321,851	\$ 61,457	\$ 648,841

* Part of Goudreau area properties