



# **MARITIME RESOURCES**

## **MARITIME RESOURCES CORP.**

### **CONDENSED INTERIM FINANCIAL STATEMENTS**

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

(Expressed in Canadian dollars)

(Unaudited)

#### **NOTICE TO READER OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Maritime Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at		March 31	December 31
(Unaudited – Prepared by Management, in Canadian dollars)	Note	2021	2020
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash	4	10,326,517	6,418,616
Receivables	5	258,247	340,039
Prepaid expenses and deposits	6	89,681	116,286
		<b>10,674,445</b>	<b>6,874,941</b>
Property and equipment	7	87,176	74,394
Deferred acquisition costs	15	313,301	277,256
Deposits	8	186,081	298,730
Exploration and evaluation assets	8	20,834,253	18,631,532
<b>Total Assets</b>		<b>32,095,256</b>	<b>26,156,853</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	1,045,077	1,015,603
Flow-through premium liability	11	1,324,400	203,613
Current portion of lease liability	10	23,388	23,532
		<b>2,392,865</b>	<b>1,242,748</b>
Lease liability	10	13,737	19,620
<b>Total Liabilities</b>		<b>2,406,602</b>	<b>1,262,368</b>
<b>Shareholders' equity</b>			
Share capital	11	38,296,243	33,399,928
Reserves	11	2,105,874	1,971,293
Royalty reserve	11	210,700	210,700
Deficit		(10,924,163)	(10,687,436)
<b>Total Shareholders' Equity</b>		<b>29,688,654</b>	<b>24,894,485</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>32,095,256</b>	<b>26,156,853</b>

Nature of operations and going concern (Note 1) and Subsequent events (Note 15).

*Approved and authorized on behalf of the Board of Directors:*

*"John P. Hayes"*

Chairman

*"Mark N.J. Ashcroft"*

Director

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

**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

<b>For the three month periods ended March 31</b>		<b>2021</b>	<b>2020</b>
<b>(Unaudited – Prepared by Management, in Canadian dollars)</b>		<b>\$</b>	<b>\$</b>
	<b>Note</b>		
<b>EXPENSES</b>			
Salaries and benefits	12	<b>263,216</b>	156,690
Administration	12	<b>50,300</b>	45,328
Business development		-	200,000
Directors' fees and expenses	12	<b>20,038</b>	20,006
Investor relations and promotion		<b>98,401</b>	22,552
Professional fees		-	2,093
Share-based payments	11	<b>2,911</b>	2,395
Depreciation	7	<b>10,899</b>	17,475
Interest expense on lease liability	10	-	138
		<b>(445,765)</b>	(466,677)
Interest income		<b>5,425</b>	5,798
Recognition of flow-through premium liability	11	<b>203,613</b>	31,986
		<b>209,038</b>	37,784
<b>Loss and comprehensive loss for the period</b>		<b>(236,727)</b>	(428,893)
<b>Basic and diluted loss per common share</b>		<b>Nil</b>	Nil
<b>Weighted average number of common shares outstanding</b>		<b>315,939,566</b>	189,905,139

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

	Shares	Share capital	Reserves	Royalty reserve	Deficit	Total
(Unaudited – Prepared by Management, in Canadian dollars)	#	\$	\$	\$	\$	\$
<b>Balance, December 31, 2019</b>	<b>189,825,469</b>	<b>20,568,204</b>	<b>2,306,044</b>	<b>210,700</b>	<b>(9,519,536)</b>	<b>13,565,412</b>
Issued for mineral properties (Note 8,11)	500,000	30,000	-	-	-	30,000
Warrant expiry (Note 11)	-	26,815	(26,815)	-	-	-
Share-based payments (Note 11)	-	-	2,395	-	-	2,395
Loss for the period	-	-	-	-	(428,893)	(428,893)
<b>Balance, March 31, 2020</b>	<b>190,325,469</b>	<b>20,625,019</b>	<b>2,281,624</b>	<b>210,700</b>	<b>(9,948,429)</b>	<b>13,168,914</b>
Issued for private placements (Note 11)	109,877,292	12,205,133	-	-	-	12,205,133
Issued for warrant exercises (Note 11)	9,606,608	1,791,657	(436,777)	-	-	1,354,880
Issued for stock option exercises (Note 11)	825,000	170,230	(67,730)	-	-	102,500
Shares issued for advisory fees (Note 11)	150,000	24,000	-	-	-	24,000
Share issuance costs (Note 11)	-	(988,686)	-	-	-	(988,686)
Finders' warrants (Note 11)	-	(275,280)	275,280	-	-	-
Finders' shares (Note 11)	666,864	60,018	-	-	-	60,018
Flow-through premium liability (Note 11)	-	(719,415)	-	-	-	(719,415)
Issued for mineral properties (Note 8,11)	550,000	89,750	-	-	-	89,750
Warrant expiry (Note 11)	-	417,502	(417,502)	-	-	-
Share-based payments (Note 11)	-	-	467,334	-	-	467,334
Reserves transferred on expired options (Note 11)	-	-	(130,936)	-	130,936	-
Loss for the period	-	-	-	-	(869,943)	(869,943)
<b>Balance, December 31, 2020</b>	<b>312,001,233</b>	<b>33,399,928</b>	<b>1,971,293</b>	<b>210,700</b>	<b>(10,687,436)</b>	<b>24,894,485</b>
Issued for private placements (Note 11)	38,500,000	6,906,900	-	-	-	6,906,900
Share issuance costs (Note 11)	-	(628,015)	-	-	-	(628,015)
Finders' warrants (Note 11)	-	(131,670)	131,670	-	-	-
Flow-through premium liability (Note 11)	-	(1,324,400)	-	-	-	(1,324,400)
Issued for mineral properties (Note 8,11)	550,000	73,500	-	-	-	73,500
Share-based payments (Note 11)	-	-	2,911	-	-	2,911
Loss for the period	-	-	-	-	(236,727)	(236,727)
<b>Balance, March 31, 2021</b>	<b>351,051,233</b>	<b>38,296,243</b>	<b>2,105,874</b>	<b>210,700</b>	<b>(10,924,163)</b>	<b>29,688,654</b>

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

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

<b>For the three month periods ended March 31</b>	<b>2021</b>	<b>2020</b>
(Unaudited – Prepared by Management, in Canadian dollars)	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	<b>(236,727)</b>	(428,893)
Items not involving cash:		
Share-based payments	<b>2,911</b>	2,395
Depreciation	<b>10,899</b>	17,475
Flow-through premium recovery	<b>(203,613)</b>	(31,986)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	<b>100,741</b>	67,413
(Increase) decrease in accrued interest receivable	<b>(18,949)</b>	(9,688)
(Increase) decrease in prepaid expenses	<b>26,605</b>	(5,312)
Increase (decrease) in accounts payable and accrued liabilities	<b>135,463</b>	(265,890)
<b>Net cash provided by (used in) operating activities</b>	<b>(182,670)</b>	(654,486)
<b>Cash flows from investing activities</b>		
Exploration and evaluation expenditures	<b>(2,122,561)</b>	(561,878)
Deferred acquisition costs	<b>(36,045)</b>	-
Property and equipment expenditures	<b>(23,681)</b>	-
<b>Net cash provided by (used in) investing activities</b>	<b>(2,182,287)</b>	(561,878)
<b>Cash flows from financing activities</b>		
Proceeds from private placement	<b>6,906,900</b>	-
Share issue costs	<b>(628,015)</b>	-
Repayment of lease liability	<b>(6,027)</b>	(10,362)
<b>Net cash provided by (used in) financing activities</b>	<b>6,272,858</b>	(10,362)
<b>Change in cash during the period</b>	<b>3,907,901</b>	(1,226,726)
<b>Cash, beginning of the period</b>	<b>6,418,616</b>	1,827,157
<b>Cash, end of the period</b>	<b>10,326,517</b>	600,431
<b>Supplemental disclosure</b>		
Cash paid for interest	-	138
<b>Supplemental disclosure of non-cash financial and investing activities</b>		
Expiry of warrants	-	26,815
Exploration and evaluation assets included in accounts payable	<b>820,422</b>	266,592
Fair value of finders' warrants	<b>131,670</b>	-
Flow-through share premium	<b>1,324,400</b>	-
Shares issued for property	<b>73,500</b>	30,000

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



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 *(Unaudited, expressed in Canadian dollars)*

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#### 1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (the “Company” or “Maritime”) was incorporated under the Business Corporations Act (British Columbia) on May 14, 2007. Maritime is an exploration stage company focused on re-starting the past producing Hammerdown Gold Mine located near the Baie Verte mining district in Newfoundland and Labrador, Canada as well as exploration on its other properties in the region.

The Company’s registered and records office is 3200 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company also has an office in Toronto at 1900 - 110 Yonge Street, Toronto, ON, Canada, M5C 1T4. The shares of the Company are traded on the TSX Venture Exchange (“TSX-V”) under the symbol MAE.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn or recessionary conditions. To date the COVID-19 pandemic has not decreased the Company’s access to capital market financing, nor negatively impacted our business and financial position. The Company implemented strict health and safety protocols and monitors and adheres to government and medical guidelines. Maritime will continue to assess the impact of COVID-19 which remains a risk that could have material negative effects on our business or financial position in the future.

These condensed interim financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Although it has been successful in raising financing in the past, there is no assurance it will be able to do so in the future. The Company estimates that, with its most recent financing, it has sufficient working capital to continue as a going concern beyond one year.

These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

#### 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”), on a basis consistent with accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2020, and should be read in conjunction with the most recently issued audited financial statements, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies which were presented in Note 3 to the Financial Statements for the year ended December 31, 2020 have been consistently applied in the preparation of the Company’s interim financial statements, except as noted below under Leases.

The condensed interim financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value and have been prepared using the accrual basis of accounting except for cash



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (*Unaudited, expressed in Canadian dollars*)

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flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

These condensed interim financial statements were authorized for issue by the Board of Directors on May 26, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies having the most significant effects on the amounts recognized in the financial statements are as follows:

*Economic recoverability and profitability of future economic benefits of exploration and evaluation assets* – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

*Royalty reserve* - Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

*Going concern* - The Company assesses its ability to continue as a going concern at each period end. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least twelve months from the end of the reporting period and include a detailed analysis of the Company's projected estimated capital and operating expenses and estimated financing requirements and abilities (see Note 1).

The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

*Valuation of share-based payments, broker compensation and finders' warrants* – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.



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### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

*Income taxes* – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

#### 4. CASH

	March 31, 2021	December 31, 2020
	\$	\$
Cash	8,326,517	4,418,616
Guaranteed Investment Certificate – Fully redeemable	2,000,000	2,000,000
	<b>10,326,517</b>	<b>6,418,616</b>

#### 5. RECEIVABLES

	March 31, 2021	December 31, 2020
	\$	\$
Input sales tax recoverable	239,298	326,271
Interest and other receivables	18,949	13,768
	<b>258,247</b>	<b>340,039</b>

#### 6. PREPAID EXPENSES AND DEPOSITS

	March 31, 2021	December 31, 2020
	\$	\$
Prepaid expenses	25,187	30,287
Deposits	64,494	85,999
	<b>89,681</b>	<b>116,286</b>

#### 7. PROPERTY AND EQUIPMENT

	Right of use assets	Furniture and Leaseholds	Vehicles	Exploration Equipment	Total
	\$	\$	\$	\$	\$
<b>Net book value – December 31, 2019</b>	<b>14,937</b>	<b>-</b>	<b>26,222</b>	<b>-</b>	<b>41,159</b>
Additions	47,074	13,210	-	-	60,284
Depreciation	(16,898)	-	(10,151)	-	(27,049)
<b>Net book value – December 31, 2020</b>	<b>45,113</b>	<b>13,210</b>	<b>16,071</b>	<b>-</b>	<b>74,394</b>
Additions	-	12,481	-	11,200	23,681
Depreciation	(5,885)	(1,427)	(2,537)	(1,050)	(10,899)
<b>Net book value – March 31, 2021</b>	<b>39,228</b>	<b>24,264</b>	<b>13,534</b>	<b>10,150</b>	<b>87,176</b>





## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

#### 8. EXPLORATION AND EVALUATION ASSETS

##### Green Bay

The Company's Green Bay property, located in Newfoundland and Labrador, Canada hosts the past producing Hammerdown gold mine, as well as the Orion deposit and the Lochinvar deposits. On September 17, 2020, the Company exercised an early buy-down right of one-half of the Hammerdown deposit royalty held by Commander Resources Ltd. ("Commander") for \$750,000. Commander retains a 1% net smelter return royalty ("NSR") over the Hammerdown deposit and surrounding lands which excludes the Orion Deposit. Allowed deductions in calculating the NSR include transportation costs and toll milling charges.

On May 16, 2018, the Company entered into an option agreement to earn 100% in the Inomin property consisting of certain mineral claims that extend the Green Bay property, under the following terms:

	Cash \$	Common shares #
Upon approval	25,000 (paid)	500,000 (issued)
September 17, 2019	50,000 (paid)	500,000 (issued)
September 17, 2020	100,000 (paid)	500,000 (issued)
September 17, 2021	125,000	500,000
	<b>300,000</b>	<b>2,000,000</b>

The Inomin property is subject to a 1.0 % NSR of which 100% can be purchased for \$500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.

On January 22, 2020, the Company entered into an option agreement to earn a 100% interest in the Spruce Pond property, which is contiguous to the Hammerdown project, under the following terms:

	Cash \$	Common shares #
Upon approval	10,000 (paid)	250,000 (issued)
March 10, 2021	20,000 (paid)	250,000 (issued)
March 10, 2022	30,000	250,000
	<b>60,000</b>	<b>750,000</b>

The Spruce Pond property is subject to a 1.0 % NSR of which 50% can be purchased for \$500,000.

##### Whisker Valley

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash \$	Common shares #
Upon approval	25,000 (paid)	100,000 (issued)
March 22, 2018	20,000 (paid)	150,000 (issued)
March 22, 2019	30,000 (paid)	200,000 (issued)
March 22, 2020	50,000 (paid)	250,000 (issued)
March 22, 2021	75,000 (paid)	300,000 (issued)
March 22, 2022	100,000	500,000
	<b>300,000</b>	<b>1,500,000</b>

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option, having issued all of the payments and shares and incurred all of the



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

expenditures. The property is subject to a 2.5% NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On December 27, 2020, the Company exercised its option in full to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash payments of \$30,000 and 100,000 shares with an aggregate fair value of \$11,350 over a period of three years. The Company has the option of buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

On November 23, 2019, the Company exercised its option in full to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), for aggregate cash payments of \$40,000 and 750,000 shares with an aggregate fair value of \$61,250 over a period of two years. The Company has the option of buy-back one-half of the 2% NSR royalty for \$1,000,000 on or before the end of the second anniversary of commercial production.

The Strugglers Pond and El Strato properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.

#### Gull Ridge

In January 2019, the Company acquired the new Gull Ridge property claims by staking.

#### Deposits

As at March 31, 2021, the Company has provided deposits totalling \$186,081 (December 31, 2020 – \$298,730) to vendors as advance payments for services to be provided on the Green Bay, Whisker Valley and Gull Ridge properties.

Expenditures incurred on the Company's Green Bay, Whisker Valley and Gull Ridge properties, follow:

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
<b>Balance, December 31, 2019</b>	<b>10,170,005</b>	<b>1,687,370</b>	<b>69,007</b>	<b>11,926,382</b>
Acquisition costs – cash	861,880	58,500	-	920,380
Acquisition costs – shares	98,750	21,000	-	119,750
Exploration expenses:				
Drilling and assaying	2,480,668	481,489	-	2,962,157
Geology	886,689	359,648	1,994	1,248,331
Geophysics	38,552	-	-	38,552
Property	100,381	13,395	-	113,776
Pre-feasibility study update	1,314,025	-	-	1,314,025
Permitting	70,979	-	-	70,979
	5,851,924	934,032	1,994	6,787,950
Less: Recoveries and grants	(82,800)	-	-	(82,800)
Net additions	5,769,124	934,032	1,994	6,705,150
<b>Balance, December 31, 2020</b>	<b>15,939,129</b>	<b>2,621,402</b>	<b>71,001</b>	<b>18,631,532</b>
Acquisition costs – cash	20,000	75,000	2,665	97,665
Acquisition costs – shares	30,000	43,500	-	73,500
Exploration expenses:				
Drilling and assaying	778,690	165,168	107	943,965
Geology	235,110	59,514	6,244	300,868
Geophysics	196,890	128,865	54,654	380,409



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For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
Feasibility study	274,563	-	-	274,563
Environmental and Permitting	128,727	3,024	-	131,751
Net additions	1,663,980	475,071	63,670	2,202,721
<b>Balance, March 31, 2021</b>	<b>17,603,109</b>	<b>3,096,473</b>	<b>134,671</b>	<b>20,834,253</b>

Subsequent to March 31, 2021 and during the year ended December 31, 2020, the Company received \$76,500 and \$82,800, respectively, pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during 2020 and 2019, respectively.

#### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2021 \$	December 31, 2020 \$
Accounts payable	777,721	943,176
Accrued liabilities	245,343	54,927
Due to related parties (Note 12)	22,013	17,500
	<b>1,045,077</b>	<b>1,015,603</b>

#### 10. LEASE LIABILITY

	Lease liability \$
<b>Balance – December 31, 2019</b>	<b>10,362</b>
Lease liability recognized during the year	47,074
Lease payments during the year	(14,422)
Interest expense on lease liability	138
<b>Balance – December 31, 2020</b>	<b>43,152</b>
Lease payments during the period	(6,027)
<b>Balance – March 31, 2021</b>	<b>37,125</b>
<b>Current portion</b>	<b>23,388</b>
<b>Long term portion</b>	<b>13,737</b>

Lease obligations as at March 31, 2021 relate to exploration equipment. As at March 31, 2020, the Company's office lease was terminated and there are no further obligations under the lease.

During the three month period ended March 31, 2021, the Company incurred operating lease costs of \$17,438 (2020 – \$16,286) for an office lease not included in lease liabilities.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 *(Unaudited, expressed in Canadian dollars)*

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#### 11. SHARE CAPITAL

##### Authorized

Unlimited number of common shares without par value.

##### Issued

##### **During the three month period ended March 31, 2021**

##### Private Placements

- On March 22, 2021, the Company completed a brokered private placement of 38,500,000 common shares on a flow-through basis at a price of \$0.1794 per flow-through common share for gross proceeds of \$6,906,900. The private placement was completed by a syndicate of agents led by Canaccord Genuity Corp. ("CG") and including Dundee Goodman Merchant Partners ("DGMP"), a division of Goodman & Company, Investment Counsel Inc., Sprott Capital Partners ("Sprott") and iA Private Wealth Inc. (collectively, the "Agents"). In connection with the closing of the private placement, the Company paid to the Agents a cash fee of \$414,414 of the aggregate gross proceeds raised pursuant to the offering and issued an aggregate of 2,310,000 non-transferable compensation warrants with each compensation warrant being exercisable into one common share at a price of \$0.1794 per common share until March 22, 2023 with a fair value of \$131,670. The flow-through shares were issued at a premium of \$1,324,400 and require the Company to incur eligible Canadian exploration expenditures of \$6,906,900 before December 31, 2022. Legal, regulatory and other cash costs associated with the private placement totalled \$212,134.

##### Exploration and evaluation assets (Note 8)

- The Company issued 250,000 common shares valued at \$30,000 in connection with the Spruce Pond property.
- The Company issued 300,000 common shares valued at \$43,500 in connection with the Whisker Valley property.

##### **During the year ended December 31, 2020**

##### Private Placements

- Pursuant to a "bought deal" private placement which closed on August 21, 2020, the Company issued of a combination of 43,367,550 common shares of the Company at a price of \$0.15 per common share, and 11,000,000 common shares issued on a flow-through basis at a price of \$0.20 per flow-through share for aggregate gross proceeds of \$8,705,133. The flow-through shares were issued at a premium of \$550,000. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$203,613 and \$346,387 was recognized into income during the year ended December 31, 2020.

The private placement was completed by a syndicate of underwriters led by Sprott and including DGMP, Industrial Alliance Securities Inc., CG, Cormark Securities Inc., Stifel GMP and Raymond James Ltd. In connection with the closing of the private placement, the Company paid a cash fee of 6% totalling \$496,181 of the aggregate gross proceeds raised pursuant to the offering, with the exception of certain proceeds from the sale of offered securities to certain specified persons. The Company issued an aggregate of 3,087,873 non-transferable broker warrants, with each broker warrant being exercisable into one common share at a price of \$0.15 per share until August 21, 2022 and fair valued at \$275,280. Legal, regulatory and other cash costs associated with the private placement totalled \$258,975.

- Pursuant to a non-brokered private placement on May 14, 2020, the Company issued 21,626,666 common shares



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

at a price of \$0.06 per common share and 33,883,076 flow-through common shares at a price of \$0.065 per flow-through common share for gross proceeds of \$3,500,000. The flow-through shares were issued at a premium of \$169,415. Pursuant to the Company incurring eligible flow-through expenditures, the flow-through premium liability was reduced to \$nil and \$169,415 was recognized into income during the year ended December 31, 2020.

In connection with this private placement, the Company paid aggregate finders' and advisory fees up to 5% in cash of the gross sales of common shares and flow-through common shares. An aggregate of 666,864 common shares were issued to Sprott as commission, fair valued at \$60,018. The cash finders' and advisory fees amounted to an aggregate of \$94,518, including \$28,069 to DGMP, \$16,449 to CG, \$15,000 to EDE Asset Management and \$35,050 to Laurentian Bank Securities Inc. Legal, regulatory and other cash costs associated with the private placement totalled \$68,877.

#### Exploration and evaluation assets (Note 8)

- The Company issued 250,000 common shares valued at \$16,250 in connection with the Spruce Pond property.
- The Company issued 250,000 common shares valued at \$13,750 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at \$82,500 in connection with the Inomin property.
- The Company issued 50,000 common shares, valued at \$7,250, in connection with the Strugglers Pond property.

#### **Other share issuances**

During the year ended December 31, 2020, 9,606,608 common shares were issued upon the exercise of warrants for gross cash proceeds of \$1,354,880. The fair value of the exercised warrants of \$436,777 was transferred from reserves to share capital.

During the year ended December 31, 2020, 825,000 common shares were issued upon the exercise of stock options for gross cash proceeds of \$102,500. The fair value of the exercised options of \$67,730 was transferred from reserves to share capital.

On November 3, 2020, the Company issued 150,000 common shares valued at \$24,000 to CG as full consideration for financial advisory and consulting services.

<b><i>Flow-through premium liability</i></b>	<b>\$</b>
<b>Balance – December 31, 2019</b>	<b>47,599</b>
Flow-through premium liability additions	719,415
Settlement of flow-through premium to income	(563,401)
<b>Balance – December 31, 2020</b>	<b>203,613</b>
Flow-through premium liability additions	1,324,400
Settlement of flow-through premium to income	(203,613)
<b>Balance – March 31, 2021</b>	<b>1,324,400</b>

#### Royalty units

During fiscal 2016 the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project ("Project"). The likelihood of the Project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

#### Stock options

The Company has a “rolling” stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

A summary of the Company’s stock options as at and during the three month period ended March 31, 2021 and year ended December 31, 2020 follows:

	March 31, 2021		December 31, 2020	
	Options Outstanding #	Weighted Average Exercise Price \$	Options Outstanding #	Weighted Average Exercise Price \$
<b>Balance, beginning of period</b>	<b>21,230,000</b>	<b>0.12</b>	16,840,000	0.13
Granted	-	-	6,700,000	0.09
Exercised	-	-	(825,000)	0.12
Expired/cancelled	-	-	(1,485,000)	0.14
<b>Balance, end of period</b>	<b>21,230,000</b>	<b>0.12</b>	21,230,000	0.12

During the year ended December 31, 2020, the Company granted 6,700,000 stock options to directors, officers, consultants and employees of the Company, of which 6,525,000 have vested and the remaining 175,000 unvested stock options will vest by one-third every three months, for six months, of which, an additional 87,500 vested during the first three months of March 31, 2021. The fair value of the stock options granted as determined by the Black-Scholes pricing model was \$473,788 or \$0.09 per option. Share based payments recognized during the year ended December 31, 2020 of \$469,729. During the year ended December 31, 2020, 1,485,000 stock options were forfeited, cancelled or expired resulting in a reversal of \$130,936 from reserves to deficit. The total fair value of unvested options that will be recognized in profit or loss in future periods amounts to \$4,059 at December 31, 2020. The Company has estimated the forfeiture rate to be nil%. Expected volatility was determined based on the historical movements in the closing price of the Company’s shares for a length of time to the expected life of each option. The weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the year ended December 31, 2020 were risk-free interest rate of 0.35%; expected life of options of 5 years and annualized volatility of 102.7%.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

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

Options Outstanding #	Options Exercisable #	Exercise Price \$	Remaining Contractual Life years	Expiry
2,300,000	2,300,000	0.25	0.58	29-Jul-21
200,000	200,000	0.15	1.32	26-Apr-22
500,000	500,000	0.10	1.93	04-Dec-22
2,075,000	2,075,000	0.10	1.96	15-Dec-22
4,805,000	4,805,000	0.11	2.93	6-Dec-23
4,650,000	4,650,000	0.10	3.47	18-Jun-24
5,650,000	5,650,000	0.085	4.39	20-May-25
350,000	262,500	0.095	4.46	16-Jun-25
700,000	700,000	0.17	4.70	10-Sep-25
<b>21,230,000</b>	<b>21,142,500</b>	<b>0.12</b>	<b>3.13</b>	

### Warrants

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

Number of Warrants	Exercise Price	Expiry Date
32,311,627	\$0.15	April 12-24, 2021
3,087,873	\$0.15	August 21, 2022
2,310,000	\$0.18	March 22, 2023
<b>37,709,500</b>		

Share purchase warrant transactions were as follows:

	March 31, 2021		December 31, 2020	
	Warrants Outstanding #	Weighted Average Exercise Price \$	Warrants Outstanding #	Weighted Average Exercise Price \$
<b>Balance, beginning of period</b>	<b>35,399,500</b>	<b>0.15</b>	57,835,596	0.15
Granted	<b>2,310,000</b>	<b>0.18</b>	3,087,873	0.15
Exercised	-	-	(9,606,608)	0.14
Expired/cancelled	-	-	(15,917,361)	0.17
<b>Balance, end of period</b>	<b>37,709,500</b>	<b>0.15</b>	35,399,500	0.15

During the year ended December 31, 2020, 15,917,361 warrants expired unexercised, including the reversal of 1,539,850 finder warrants resulting in the reversal of \$444,317 to share capital and 9,606,608 warrants were exercised for aggregate gross proceeds of \$1,354,880.

## 12. RELATED PARTY TRANSACTIONS

- (a) Services

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having certain directors and officers in common.



## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

For the three month periods ended March 31 the Company was charged the following:

	2021	2020
	\$	\$
Rent	17,438	16,286
Office administration	1,319	1,146
	<b>18,757</b>	<b>17,432</b>

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Compensation to key management personnel for services rendered were as follows for the three months ended March 31:

	2021	2020
	\$	\$
Salaries	199,420	143,964
Directors' fees	17,500	17,500
	<b>216,920</b>	<b>161,464</b>

### 13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits and accounts payable and accrued liabilities. Cash is measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments.

- (a) *Credit risk* - Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables. The maximum exposure to loss arising from receivables is equal to their carrying amounts. The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution. Receivables are due from a government agency.
- (b) *Liquidity risk* - Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.
- (c) *Market risk* - Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.
- (d) *Interest rate risk* - Interest rate risk consists of two components:
- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and
  - To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.





## MARITIME RESOURCES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2021 and 2020 (Unaudited, expressed in Canadian dollars)

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- (e) *Foreign currency risk* - Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.
- (f) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company monitors metal prices in determining its long-term business plans.

There were no changes in the Company's approach to managing the above risks.

#### 14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financings to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes in the Company's capital management strategy during the three month period ended March 31, 2021 compared to the previous period. The Company is not subject to externally imposed capital requirements.

#### 15. SUBSEQUENT EVENTS

- (a) On April 12, 2021, pursuant to the terms of an asset purchase agreement, the Company acquired the Nugget Pond metallurgical facility in the Baie Verte mining district of Newfoundland and Labrador, the Lac Pelletier gold project in Rouyn Noranda, Québec and several other exploration properties and royalty interests in key mining camps across Canada (collectively, the "Assets") from two subsidiaries of Rambler Metals and Mining PLC, namely Rambler Metals and Mining Canada Limited and 1948565 Ontario Inc. (together, "Rambler"). The consideration paid by the Company for the Assets was comprised of the assumption of certain liabilities associated with the Assets, the payment of US\$2,000,000 in cash, and the issuance of the number of common shares of the Company equal to \$500,000, based on the 30-day volume average weighted price of the common shares as of the closing date of the acquisition, representing 3,571,428 common shares issued at a price of \$0.14. In addition, a deposit of \$200,000 was paid to Rambler on March 12, 2020. Sprott Capital Partners LP acted as advisor to Maritime in connection with the acquisition and will be issued 400,000 common shares of the Company in consideration for such services.

Also on April 12, 2021, Tembo Capital acquired 30,770,000 common shares of Maritime, via a non-brokered private placement, at a price of \$0.13 per common share for a total investment of \$4,000,100 and 1,846,200 common share purchase warrants with each warrant being exercisable into one common share at a price of \$0.1794 per common share until April 12, 2023.

Certain matters related to the gold circuit remain subject to final approval of applicable governmental authorities and certain of the other Assets require completion of final transfer matters.

- (b) Subsequent to March 31, 2021, 13,144,940 of common share purchase warrants were exercised for gross proceeds of \$1,971,741 and 19,166,687 of common share purchase warrants expired unexercised.