CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(unaudited)

For the three months ended March 31, 2021 and 2020

Expressed in Canadian Dollars, unless otherwise noted

ARTEMIS
GOLD INC

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes	As at March 31, 2021 $	As at December 31, 2020 $
Assets			
Current assets			
Cash and cash equivalents		**42,420,579**	51,846,826
Receivables and prepayments		**1,341,562**	953,973
Marketable securities		**3,730,020**	3,997,280
		47,492,161	56,798,079
Non-current assets			
Restricted cash	*8*	**570,800**	540,800
Investment in Velocity	*4*	**22,010,961**	23,156,210
Plant and equipment	*5*	**7,733,288**	7,100,302
Mineral property	*6*	**274,022,860**	265,077,974
TOTAL ASSETS		**351,830,070**	352,673,365
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**4,909,664**	4,509,559
Consideration payable	*7(a)*	**48,279,819**	47,247,708
Lease liability - current portion		**318,793**	138,699
		53,508,276	51,895,966
Non-current liabilities			
Lease liability - non current portion		**1,092,029**	707,943
Other variable consideration payable	*7(b)*	**33,496,043**	32,484,283
Asset retirement obligation	*8*	**6,751,955**	8,347,027
TOTAL LIABILITIES		**94,848,303**	93,435,219
Shareholders' equity			
Share capital	*9(a)*	**250,493,830**	250,411,031
Contributed surplus	*9(b),(c)*	**5,011,834**	3,567,530
Accumulated other comprehensive income		**2,648,738**	2,915,998
Retained (deficit) earnings		**(1,172,635)**	2,343,587
Total Shareholders' equity		**256,981,767**	259,238,146
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**351,830,070**	352,673,365

Subsequent events (Note 12)

Approved for Issuance by the Board of Directors:

"Elise Rees" Director

"Steven Dean" Director

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars, except number of shares outstanding)

	Notes	**For the three months ended March 31, 2021** $	For the three **months ended** March 31, 2020 $
Operating expenses			
Depreciation		**73,984**	39,989
Management fees and wages	*10*	**742,549**	314,201
Investor relations and corporate development		**96,677**	143,926
Office, Insurance and general		**189,671**	69,943
Professional fees		**249,350**	34,676
Share-based payments	*9, 10*	**1,036,908**	523,566
Transfer agent and regulatory		**57,291**	8,633
Loss from operations		**(2,446,430)**	(1,134,934)
Other income (expense)			
Accretion expense on lease liability		**(21,623)**	(13,943)
Accretion expense on asset retirement obligation	*8*	**(22,239)**	-
Equity loss from investment in associate	*4*	**(143,164)**	(99,049)
Fair value adjustment on convertible debtenture	*4*	**(795,646)**	(2,626,781)
Fair value adjustment on warrants	*4*	**(206,439)**	(1,630,934)
Interest income		**119,319**	166,522
Net loss before income taxes		**(3,516,222)**	(5,339,119)
Deferred income tax recovery		**-**	714,428
Net loss		**(3,516,222)**	(4,624,691)
Other comprehensive loss, net of tax			
Items that will not be reclassified to net loss			
Unrealized (loss) gain on marketable securities		**(267,260)**	96,774
Total loss and comprehensive loss		**(3,783,482)**	(4,527,917)
Loss per common share			
Basic and diluted		**(0.03)**	(0.10)
Weighted average number of common shares outstanding			
Basic and diluted		**124,258,084**	**48,225,784**

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars, except number of shares)

	Notes	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained (deficit) earnings	Total shareholders' equity
		Number of shares	Amount				
		#	$	$	$	$	$
Balance - January 1, 2021		124,204,936	250,411,031	3,567,530	2,915,998	2,343,587	259,238,146
Exercise of share purchase warrants	*9(c)*	76,666	82,799	-	-	-	82,799
Shared-based payments	*9(b)*	-	-	1,444,304	-	-	1,444,304
Unrealized (loss) on marketable securities		-	-	-	(267,260)	-	(267,260)
Net loss		-	-	-	-	(3,516,222)	(3,516,222)
Balance - March 31, 2021		**124,281,602**	**250,493,830**	**5,011,834**	**2,648,738**	**(1,172,635)**	**256,981,767**

	Notes	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity
		Number of shares	Amount				
		#	$	$	$	$	$
Balance - January 1, 2020		48,180,105	41,647,399	942,447	54,303	6,275,994	48,920,143
Exercise of share purchase warrants		72,222	78,000	-	-	-	78,000
Shared-based payments	*9(b)*	-	-	523,566	-	-	523,566
Unrealized gain on marketable securities		-	-	-	96,774	-	96,774
Net loss		-	-	-	-	(4,624,691)	(4,624,691)
Balance - March 31, 2020		**48,252,327**	**41,725,399**	**1,466,013**	**151,077**	**1,651,303**	**44,993,792**

The accompanying notes are an integral part of the condensed interim consolidated financial statements

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended March 31, 2021 $	For the three months ended March 31, 2020 $
Operating activities		
Net loss	**(3,516,222)**	(4,624,691)
Items not involving cash:		
Accretion expense on lease liability	**21,623**	13,943
Asset retirement obligation	**22,239**	-
Deferred income tax (recovery) expense	**-**	(714,428)
Depreciation	**73,984**	39,989
Equity loss from investment in associate	**143,164**	99,049
Fair value adjustment on convertible debt	**795,646**	2,626,781
Fair value adjustment on warrants	**206,439**	1,630,934
Interest income	**(119,319)**	(166,522)
Share-based payments	**1,036,908**	523,566
Net changes in non-cash working capital:		
Accounts payable and accrued liabilities	**95,014**	83,366
Due to related parties	**8,946**	(8,153)
Receivables and prepayments	**85,499**	(24,240)
Net cash used in operating activities	**(1,146,079)**	(520,406)
Investing activities		
Interest received	**35,747**	151,804
Investment in marketable securities	**-**	(513,422)
Investment in associate	**-**	(1,825,858)
Investment in warrants	**-**	(240,897)
Mineral property	**(8,283,679)**	-
Purchase of plant and equipment	**(17,449)**	-
Restricted cash	**(30,000)**	-
Net cash used in investing activities	**(8,295,381)**	(2,428,373)
Financing activities		
Exercise of share purchase warrants	**82,799**	78,000
Lease payments	**(67,586)**	(36,890)
Net cash provided by financing activities	**15,213**	41,110
Change in cash and cash equivalents	**(9,426,247)**	(2,907,669)
Cash and cash equivalents, beginning	**51,846,826**	31,502,309
Cash and cash equivalents, ending	**42,420,579**	28,594,640
Restricted cash, ending	570,800	-
Total cash, cash equivalents and restricted cash, ending	**42,991,379**	**28,594,640**

1. NATURE OF OPERATIONS

Artemis Gold Inc. ("**Artemis**" or the "**Company**") was incorporated under the Business Corporations Act (British Columbia) on January 10, 2019. The Company is a development-stage company focused on the development of the Blackwater Gold Project ("**Blackwater**" or the "**Blackwater Project**") in central British Columbia. The Company's common shares are traded on the Toronto Venture Exchange ("**TSXV**") under the symbol "ARTG".

The Company acquired Blackwater from New Gold Inc. ("**New Gold**") on August 21, 2020 (Note 6). The Company also has a significant investment in Velocity Minerals Ltd. ("**VLC**"), which is in the business of acquiring, exploring, and evaluating mineral resource properties in Bulgaria.

The Company operates a single reportable segment, being the exploration and development of mineral properties.

The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, B.C. Canada. The Company's registered and records office is located at 595 Burrard Street, Suite 2600, Vancouver, B.C., Canada.

2. BASIS OF PREPARATION

Basis of preparation and measurement

These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements including International Accounting Standard 34 - *Interim Financial Reporting* and do not include the information required for full annual financial statements. Accordingly, they should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020 and the period from January 10, 2019 to December 31, 2019 (the "**Annual Financial Statements**"). The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements. Certain prior year amounts have been reclassified to conform to the presentation in the current year.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary. References to "US$" are to United States Dollars. Certain comparative period information has been restated to conform to the current period presentation.

These Interim Financial Statements were approved by the board of directors on May 27, 2021.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiary, BW Gold Ltd. Both entities are domiciled in Canada. All inter-company balances, transactions, revenues and expenses have been eliminated upon consolidation.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company's interim results are not necessarily indicative of its results for a full year. The significant judgements and estimates applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 4 of the Annual Financial Statements.

4. INVESTMENT IN VLC

The Company's investment in VLC as at March 31, 2021 was comprised of:

	Investment in associate $	Convertible debenture $	Warrants $	Total $
Balance, January 1, 2020	5,639,902	9,999,434	2,351,844	17,991,180
Investment	3,825,858	-	240,897	4,066,755
Fair value change for the year	-	1,410,550	106,721	1,517,271
Shares received in settlement of interest	432,990	(432,990)	-	-
Equity loss on investment in associate	(418,996)	-	-	(418,996)
Balance, December 31, 2020	**9,479,754**	**10,976,994**	**2,699,462**	**23,156,210**
Shares received on conversion of debenture	10,181,348	(10,181,348)	-	-
Fair value change in the period	-	(795,646)	(206,439)	(1,002,085)
Equity loss on investment in associate	(143,164)	-	-	(143,164)
Balance, March 31, 2021	**19,517,938**	**-**	**2,493,023**	**22,010,961**

On March 25, 2021, the Company exercised its conversion option on the convertible debenture which had a face value of $5,094,000 plus accrued interest of $208,784, in exchange for 21,211,136 common shares of VLC. This brought the Company's interest in the common shares of VLC to 50,701,138 (or 32.3% of VLC's issued and outstanding common shares at the time) which as at March 31, 2021 had a fair value of $24,843,558.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

4. INVESTMENT IN VLC (continued)

As at March 31, 2021, the Company also held the following share purchase warrants in VLC:

- 9,300,000 share purchase warrants exercisable at $0.25 per warrant until March 14, 2022
- 2,583,443 share purchase warrants exercisable at $0.55 per warrant until August 12, 2021

The Company applies equity accounting to the investment in the common shares of VLC as the Company has significant influence over VLC due to the Company's share ownership and board representation on VLC's board of directors. As a result, at inception of the investment, the common shares were recognized at cost, with the carrying amount of the investment increasing or decreasing at each reporting period to recognize the Company's share of the profit or loss of VLC for the particular period.

The warrants have been measured at FVTPL with the loss recorded within the loss on warrants in the interim consolidated statements of loss and comprehensive loss. The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in VLC. The Company used the following weighted average assumptions to fair value the warrants:

	March 31, 2021	December 31, 2020
Share price	**$0.49**	$0.50
Volatility	**61%**	61%
Expected life in years	**0.82**	1.07
Dividend rate	**0.00%**	0.00%
Risk-free rate	**0.23%**	0.25%

The assets and liabilities of VLC are summarized in the following table and incorporates VLC's most recently available financial information at the time of preparation of these Interim Financial Statements, which was as at December 31, 2020.

	December 31, 2020 $
Current assets	10,958,817
Non-current assets	18,051,912
	29,010,729
Current liabilities	930,602
Non-current liabilities	4,251,796
	5,182,398
Net assets	23,828,331
Company's equity share of net assets	7,696,550
Loss and comprehensive loss attributable to VLC shareholders for the three months ended December 31, 2020	(601,172)

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

5. PLANT AND EQUIPMENT

	Right-of-use asset $	Camp $	Equipment $	Vehicles $	Other[1] $	Total $
COST						
Balance, January 1, 2020	959,744	-	-	-	-	959,744
Additions	-	-	-	-	37,632	37,632
Acquisition of Blackwater	-	4,817,845	1,457,107	126,461	107,200	6,508,613
Balance, December 31, 2020	959,744	4,817,845	1,457,107	126,461	144,832	7,505,989
Additions (disposals)	610,144	(15,000)	-	-	260,361	855,505
Balance, March 31, 2021	**1,569,888**	**4,802,845**	**1,457,107**	**126,461**	**405,193**	**8,361,494**
ACCUMULATED DEPRECIATION						
Balance, January 1, 2020	(39,989)	-	-	-	-	(39,989)
Depreciation	(159,958)	(160,595)	(28,571)	(8,431)	(8,143)	(365,698)
Balance, December 31, 2020	(199,947)	(160,595)	(28,571)	(8,431)	(8,143)	(405,687)
Depreciation	(72,102)	(120,321)	(21,428)	(6,323)	(2,345)	(222,519)
Balance, March 31, 2021	**(272,049)**	**(280,916)**	**(49,999)**	**(14,754)**	**(10,488)**	**(628,206)**
NET BOOK VALUE						
Balance, December 31, 2020	759,797	4,657,250	1,428,536	118,030	136,687	7,100,302
Balance, March 31, 2021	**1,297,839**	**4,521,929**	**1,407,108**	**111,707**	**394,705**	**7,733,288**

(1) Included in "Other" are furniture, leasehold improvements, buildings and land.

Total depreciation recognized during the three months ended March 31, 2021 was 222,519 (for the three months ended March 31, 2020 – $39,989) of which $73,984 was expensed in the interim consolidated statements of loss and comprehensive loss (for the three months ended March 31, 2020 - $39,989) and the balance was capitalized to mineral property.

6. MINERAL PROPERTY

	Total $
Balance, January 1, 2020	222,354
Acquisition of Blackwater	246,319,298
Asset retirement asset recognized upon acquisition of Blackwater	8,626,352
Additions	10,212,278
Change in asset retirement obligation estimate (Note 8)	(302,308)
Balance, December 31, 2020	265,077,974
Additions	10,562,197
Change in asset retirement obligation estimate (Note 8)	(1,617,311)
Balance, March 31, 2021	**274,022,860**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

6. MINERAL PROPERTY (continued)

On August 21, 2020, the Company acquired from New Gold Ltd. ("**New Gold**") the Blackwater Project (the "**Acquisition**"). Consideration for the Acquisition was comprised of:

- a $140,000,000 initial payment paid on Closing by the Company;
- 7,407,407 common shares of the Company issued on Closing with a $34,444,443 fair value based on a $4.65 market price per share on Closing;
- a $50,000,000 cash payment due one year from Closing (the "**Consideration Payable**") with a $45,871,560 fair value at Closing (Note 7(a));
- $234,785 of non-refundable sales tax and $1,228,479 in transaction costs which the Company incurred relating to the Acquisition;
- a LOM gold stream (the "**Gold Stream**") as described in Note 7(b); and
- assumption of an asset retirement obligation estimated at $8,626,352 at the time of closing (Note 8).

The Company's 100% interest in the Blackwater Project is subject to a number of net smelter royalty ("**NSR**") arrangements. The majority of these NSRs do not affect the proposed mining operation; the only NSR that affect the proposed open pit operations are the Dave option (1.5% NSR) and the Jarrit option (1.0% NSR).

During the quarter ended March 31, 2021, the additions to mineral property of $10,562,197 included, among other things, $2,644,753 in engineering, $2,612,893 associated with environmental and permitting, $2,043,871 of accretion of consideration payable (Note 7), as well as $2,280,238 associated with the Company's 2021 grade control drilling program.

7. CONSIDERATION PAYABLE

a) Consideration payable – Acquisition

As part of the consideration associated with the Acquisition, the Company agreed to pay $50,000,000 cash to New Gold by August 21, 2021 (Note 6). The financial liability was initially recognized at fair value of $45,871,560, after applying a 9% discount rate. Changes to the amortized cost of the financial liability were as follows:

	Carrying amount $
Balance January 1, 2020	-
Recognized upon Acquisition	45,871,560
Accretion expense capitalized to mineral property	1,376,148
Balance, December 31, 2020	47,247,708
Accretion expense capitalized to mineral property	**1,032,111**
Balance, March 31, 2021	**48,279,819**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

7. CONSIDERATION PAYABLE (continued)

b) Variable consideration payable – Gold Stream

As part of the consideration associated with the Acquisition, the Company agreed to a Gold Stream with New Gold with the following attributes:

- New Gold will receive a percentage of gold production from the Blackwater Project as follows: 8% until 279,908 refined gold ounces are delivered to and purchased by New Gold, then 4% thereafter for the remaining life of mine.
- New Gold will pay a purchase price equal to 35% of the US$ spot price for the gold ounces received. The 65% discount given will be recorded as an increase to the cost of the asset when incurred as variable consideration for the Acquisition.
- The Gold Stream includes a delayed construction/production penalty clause (the "**Delay Penalty Clause**") whereby, in the event the Blackwater mineral processing facility has not achieved an average of at least 80% of nameplate capacity (as per a feasibility study) for a period of 60 days prior to each of August 21, 2027, 2028 and 2029, the Company will be required to make penalty payments to New Gold in the amount of $28,000,000 (the "**Penalty Payment**") per annual deadline missed, up to a maximum of $84,000,000. Although the Company does not control all of the events which may result in payment of the Penalty Payments, it is likely that the minimum benefit to New Gold, either as a result of the Delay Penalty Clause or through future sales at a discount to the spot price, will be the sum of the Penalty Payments. Accordingly, the Company has recorded a liability for variable consideration payable upon the acquisition of Blackwater.

The fair value of the financial liability was determined using a discount rate of 12.50% and subsequent changes to the amortized cost were as follows:

	Carrying amount $
Balance, January 1, 2020	-
Recognized upon Acquisition	31,048,644
Accretion expense capitalized to mineral property	1,435,639
Balance, December 31, 2020	32,484,283
Accretion expense capitalized to mineral property	1,011,760
Balance, March 31, 2021	**33,496,043**

8. ASSET RETIREMENT OBLIGATION

Changes to the asset retirement obligation are as follows:

	Carrying amount $
Balance, January 1, 2020	-
Assumed on acquisition of Blackwater (Note 6)	8,626,352
Accretion expense	22,983
Change in obligation estimate	(302,308)
Balance, December 31, 2020	8,347,027
Accretion expense	22,239
Change in obligation estimate	(1,617,311)
Balance, March 31, 2021	**6,751,955**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

8. ASSET RETIREMENT OBLIGATION (continued)

As a result of the Acquisition, the Company assumed a provision for asset retirement obligations (Note 6).

The majority of the expenditures are expected to occur after 2047. As at March 31, 2021, the assumptions applied in estimating the asset retirement obligation related to the inflation rate and discount rate were 2.02% p.a. and 1.99% p.a., respectively (as at December 31, 2020 2.02% p.a. and 1.07% p.a., respectively).

As at March 31, 2021, the Company recorded $540,800 of restricted cash on the statements of financial position with respect to cash collateral posted to support a $2,704,000 surety bond attributed to the asset retirement obligation. The balance of the Company's restricted cash balance relates to collateral provided in regard to general corporate accounts.

9. EQUITY

a) Authorized share capital

Unlimited number of common shares without par value.

Refer to details of common shares issued subsequent to the quarter-end (Note 12(a)).

b) Stock options

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company exercisable for a period of up to 10 years from the date of grant.

The Company uses the Black Scholes option pricing model to determine the fair value of stock options granted. As at March 31, 2021, the Company had the following stock options outstanding and exercisable:

	Number of stock options #	Weighted-average exercise price $
Outstanding – January 1, 2020	1,520,000	1.16
Granted	3,275,000	5.00
Exercised	(13,000)	1.16
Outstanding – December 31, 2020	**4,782,000**	**3.79**
Granted	825,000	6.14
Outstanding – March 31, 2021	**5,607,000**	**4.14**
Exercisable – March 31, 2021	**1,707,000**	**1.18**

Total share-based payments recognized during the three months ended March 31, 2021 was $1,444,304 (three months ended March 31, 2020 – $523,566), of which $407,396 was capitalized to mineral properties (three months ended March 31, 2020 - $nil) and $1,036,908, was expensed in the interim consolidated statements of loss and comprehensive loss.

As at March 31, 2021, outstanding stock options had a weighted average remaining life of 5.7 years (December 31, 2020 – 6.4 years).

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

9. EQUITY (continued)

b) Stock options (continued)

The following weighted-average assumptions were used in the valuation of the stock options granted during the three months ended March 31, 2021 and 2020:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Annualized volatility	**54%**	100%
Expected life in years	**5**	10
Dividend rate	**0.00%**	0.00%
Risk-free rate	**0.44%**	1.31%
Forfeiture rate	**0.00%**	0.00%

The risk-free rate for periods within the contractual term of the option is based on the Bank of Canada administered interest rates in effect at the time of the grant. The Company has assumed that any granted stock options will not be exercised until the expiry date.

Expected volatilities are based on historical volatilities of stock prices of comparable companies given the limited life of the Company as an exploration and development company. Expected forfeiture rates have been assumed to be nil to date, as most employees and directors involved are key personnel.

Refer to Note 12(c) for details of stock options granted subsequent to March 31, 2021.

c) Share purchase warrants

All share purchase warrants expire on August 27, 2024. A summary of the changes in share purchase warrants is as follows:

	Number of warrants #	**Weighted-average exercise price $**
Outstanding – January 1, 2020	36,268,407	1.08
Exercised	(3,528,499)	1.08
Outstanding – December 31, 2020	**32,739,908**	1.08
Exercised	(76,666)	1.08
Outstanding – March 31, 2021	**32,663,242**	**1.08**

Refer to Note 12(b).

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management compensation

Key management includes the Company's directors, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Compensation awarded to key management for the three months ended March 31, 2021 and 2020 comprised the following:

	For the three months ended March 31, 2021 $	For the three months ended March 31, 2020 $
Salaries and benefits	**277,860**	71,191
Consulting fees	**143,750**	87,500
Director fees	**81,250**	41,250
Share-based payments	**976,997**	373,941
	1,479,857	573,882

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, interest receivables and deposits, and the investment in VLC warrants which are designated as fair value through profit and loss. The Company's marketable securities are designated as fair value through other comprehensive income and loss. The Company's financial instruments also include accounts payable, which are measured at amortised cost.

Fair value measurements
A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at March 31, 2021, the carrying value of the Company's cash and cash equivalents, receivables, as well as accounts payable approximate their fair values, while the Company's investments in marketable securities and warrants in VLC are carried at fair value. The carrying value of consideration payable and other variable consideration payable are considered to approximate their fair value. The fair value of the Company's equity investment in VLC is disclosed in Note 4.

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The fair value of the Company's investment in the VLC warrants, as well as consideration payable and other variable consideration payable, are categorized as Level 3 in the fair value hierarchy as observable market data for these instruments are not available. Marketable securities are categorized as Level 1.

12. SUBSEQUENT EVENTS

a) On May 19, 2021, the Company completed a brokered offering with a syndicate of underwriters to issue 18,853,100 common shares on a bought deal basis at a price of $6.10 per common share (the "Bought Deal Offering"). The Company also announced a Non-Brokered Offering for 9,200,000 common shares, also at a price of $6.10 per common share. The Non-Brokered Offering closed on May 25, 2021, for combined gross proceeds of $171,123,910.

b) Subsequent to quarter-end, 85,000 share purchase warrants were exercised for proceeds of $91,800 (Note 9(c)).

c) Subsequent to quarter-end, the Company granted 75,000 stock options with an exercise price of $6.88 per stock option (Note 9(b)).