



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

September 30, 2021

NOTICE 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 interim condensed consolidated financial statements of Independence Gold 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>September 30</u> <u>2021</u>	<u>December 31</u> <u>2020</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 528,038	\$ 2,810,527
Receivables (Note 8)	169,772	97,230
Investments (Note 3)	65,865	132,450
	<u>763,675</u>	<u>3,040,207</u>
Long term deposit	39,278	39,280
Land use deposits (Note 4)	112,000	72,000
Property and equipment (Note 5)	534,432	759,837
Mineral properties (Note 7)	<u>10,544,094</u>	<u>10,488,094</u>
	<u>\$ 11,993,479</u>	<u>\$ 14,399,418</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 211,512	\$ 220,550
Deferred flow-through premium (Note 9)	-	46,875
Current portion of lease liabilities (Note 6)	87,366	130,874
	<u>298,878</u>	<u>398,299</u>
Non-current portion of lease liabilities (Note 6)	<u>521,328</u>	<u>670,371</u>
	<u>820,206</u>	<u>1,068,670</u>
Shareholders' equity		
Share capital (Note 9)	37,948,934	37,851,400
Reserves	1,144,205	1,197,800
Deficit	(27,919,866)	(25,718,452)
	<u>11,173,273</u>	<u>13,330,748</u>
	<u>\$ 11,993,479</u>	<u>\$ 14,399,748</u>

Nature and continuance of operations (Note 1)**Subsequent Events** (Note 10)Approved and authorized by the Board on November 26th, 2021.*"Randy Turner"*

Randy C. Turner, Director

"John McDonald"

John McDonald, Director

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Expenses				
Exploration expenditures (Note 7)	\$ 357,568	\$ 112,638	\$ 1,819,347	\$ 175,207
Depreciation	23,332	43,706	75,812	131,118
Interest	6,396	14,687	23,033	46,899
Legal, audit and accounting	10,827	5,285	10,091	3,195
Management and director fees (Note 8)	63,227	45,600	188,852	159,750
Office and miscellaneous	11,189	13,799	54,826	24,760
Regulatory and transfer agent fees	1,530	6,590	39,846	13,298
Share-based compensation (Note 8)	-	145,337	-	145,337
Shareholder communications	30,481	4,344	84,842	9,365
Travel	-	-	-	2,508
Wages and benefits	19,858	22,648	60,983	64,016
	<u>(524,407)</u>	<u>(414,634)</u>	<u>(2,357,632)</u>	<u>(774,453)</u>
Interest income	1,974	267	2,708	3,468
Rent Recovery	19,935	8,175	44,250	34,675
Unrealized (loss)/gain on investments	(15,892)	(282)	(26,364)	85,977
Realized (loss)/gain on investments	-	(1,775)	17,569	(1,775)
Gain on sale of mineral properties	-	-	30,000	-
Flow-through premium	-	-	46,875	-
	<u>6,017</u>	<u>6,385</u>	<u>115,038</u>	<u>122,345</u>
Loss and comprehensive loss for the period	\$ <u>(518,390)</u>	\$ <u>(408,249)</u>	<u>(2,242,594)</u>	\$ <u>(652,108)</u>
Basic and diluted loss per common share	\$ <u>(0.01)</u>	\$ <u>(0.01)</u>	\$ <u>(0.03)</u>	\$ <u>(0.01)</u>
Weighted average number of common shares outstanding	85,606,603	62,501,572	85,450,581	56,387,472

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

INDEPENDENCE GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cash flows used in operating activities		
Loss for the period	\$ (2,242,594)	\$ (652,108)
Items not affecting cash:		
Depreciation	75,812	131,118
Flow-through Premium	(46,875)	-
Share-based compensation	-	145,337
Unrealized (gain)/loss on investments	26,364	(85,977)
Realized loss on marketable securities	(17,569)	1,775
Interest Expense	23,033	45,720
Changes in non-cash working capital items:		
Increase in receivables	(72,543)	(12,659)
Decrease in accounts payable and accrued liabilities	(9,038)	(5,483)
Net cash used in operating activities	<u>(2,263,410)</u>	<u>(432,277)</u>
Cash flows from investing activities		
Proceeds on sale of investments	57,790	136,175
Decrease in long-term deposit	2	15,903
Increase in Land use deposit	(40,000)	-
Net cash provided by investing activities	<u>17,792</u>	<u>152,078</u>
Cash flows (used in)/from financing activities		
Proceeds from private placement	-	934,872
Lease liability payment	(65,990)	(140,409)
Proceeds received from option exercise	125	-
Proceeds received from warrant exercise	54,790	-
Share issuance costs	(25,846)	-
Net cash used in financing activities	<u>(36,871)</u>	<u>794,463</u>
Change in cash and cash equivalents during the period	(2,282,489)	514,264
Cash and cash equivalents, beginning of the period	2,810,527	721,664
Cash and cash equivalents, end of the period	<u>\$ 528,038</u>	<u>\$ 1,235,928</u>

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

INDEPENDENCE GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDER'S EQUITY (Unaudited)**

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2019	56,290,392	\$ 35,510,295	\$ 454,813	\$ (24,598,213)	\$ 11,366,895
Share-based compensation (Note 9d)	-	-	145,337	-	145,337
Shares issued for mineral properties	200,000	9,000	-	-	9,000
Shares issued on private placement for cash	14,285,714	1,000,001	-	-	1,000,001
Warrants issued on private placement	-	(385,725)	385,725	-	-
Share issuance costs	-	(106,553)	41,424	-	(65,129)
Reserves transferred on cancelled options (Note 9d)	-	-	(69,980)	69,980	-
Loss for the period	-	-	-	(652,108)	(652,108)
Balance, September 30, 2020	70,776,106	\$ 36,027,018	\$ 957,319	\$ (25,180,341)	\$ 11,803,996
Share-based compensation (Note 9d)	-	-	50,125	-	50,125
Shares issued on private placement for cash	13,973,214	2,150,000	-	-	2,150,000
Warrants issued on private placement	-	(140,436)	140,436	-	-
Share issuance costs	-	(138,307)	49,920	-	(88,387)
Flow-through premium	-	(46,875)	-	-	(46,875)
Loss for the year	-	-	-	(538,111)	(538,111)
Balance, December 31, 2020	84,749,320	\$ 37,851,400	\$ 1,197,800	\$ (25,718,452)	\$ 13,330,748
Share issuance costs	-	(25,846)	-	-	(25,846)
Shares issued on stock option exercise	500	201	(76)	-	125
Shares issued on warrant exercise	457,000	67,179	(12,339)	-	54,840
Reserves transferred on cancelled options	-	-	(41,180)	41,180	-
Shares issued for mineral properties	400,000	56,000	-	-	56,000
Loss for the period	-	-	-	(2,242,594)	(2,242,594)
Balance, September 30, 2021	<u>85,606,820</u>	<u>\$ 37,948,934</u>	<u>\$ 1,144,205</u>	<u>\$ (27,919,866)</u>	<u>\$ 11,173,273</u>

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

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Independence Gold Corp. ("Independence" or the "Company") was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its properties contain economically recoverable mineral reserves.

The Company's head office and principal address is 580 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These consolidated financial statements have been prepared by management on a going concern basis 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 and has no source of recurring revenue. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. 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 the Company has been successful in obtaining financing in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effect on the Company's business or ability to raise funds.

These condensed consolidated 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.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2020.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated 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 Consolidated Financial Statements for the fiscal year ended December 31, 2020 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

3. INVESTMENTS

	September 30, 2021	December 31, 2020
Canterra Minerals Corporation	55,865	117,250
White Gold Corp	10,000	15,200
Total	\$ 65,865	\$ 132,450

For the nine months ended September 30, 2021, the Company sold 145,000 shares of various companies for total gross proceeds of \$57,790 (September 30, 2020: \$136,175) and recognized a gain of \$17,569 (September 30, 2020: loss of \$1,775).

4. LAND USE DEPOSITS

The Company has provided deposits as security for land use and potential future reclamation work relating to its mineral properties. As at September 30, 2021 a total of \$112,000 (December 31, 2020 - \$72,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Right of Use Asset	Total
COST			
Balance, December 31, 2019	\$ 134,149	\$ 1,021,207	1,155,356
Additions/(dispositions)	-	23,316	23,316
Balance, December 31, 2020	134,149	1,044,523	1,178,672
Additions/(dispositions)	(134,149)	(159,873)	(159,873)
Balance, September 30, 2021	\$ -	\$ 884,650	1,018,799
ACCUMULATED DEPRECIATION			
Balance, December 31, 2019	\$ 99,433	\$ 144,578	244,011
Additions/(dispositions)	26,516	148,308	174,824
Balance, December 31, 2020	125,949	292,886	418,835
Additions/(dispositions)	(125,949)	57,332	(68,617)
Balance, September 30, 2021	\$ -	\$ 350,218	350,218
CARRYING AMOUNTS			
Balance, December 31, 2019	\$ 34,716	\$ 876,629	911,345
Balance, December 31, 2020	\$ 8,200	\$ 751,637	759,837
Balance, September 30, 2021	\$ -	\$ 534,432	534,432

The right of use asset consists of a lease for office space and a photocopier lease. The lease liability was measured at the present value of the remaining lease payments and discounted using the Company's estimated incremental borrowing rate of 7% per annum.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)**6. LEASE LIABILITY**

At September 30, 2021, the Company's lease liability is as follows:

	September 30, 2021	December 31, 2020
Opening balance	\$ 801,245	\$ 905,298
(Dispositions)/additions	(149,594)	23,316
Interest	23,033	59,843
Lease payments	(65,990)	(187,212)
Ending balance	\$ 608,694	\$ 801,245

	September 30, 2021	December 31, 2020
Current portion	\$ 87,366	\$ 130,874
Long-term portion	521,328	670,371
Ending balance	\$ 608,694	\$ 801,245

At September 30, 2021, the Company is committed to minimum undiscounted lease payments as follows:

	September 30, 2021	December 31, 2020
Less than one year	\$ 125,422	\$ 181,755
One to five years	610,156	727,020
Total undiscounted lease liabilities	\$ 735,578	\$ 908,775

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

7. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties, except as described below are properly registered and in good standing.

The Company holds interest in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	September 30	December 31
	2021	2020
BRITISH COLUMBIA		
<u>3Ts PROJECT</u>		
Taken Property	\$ 345,693	\$ 345,693
<i>A 100% interest in certain claims. The property is subject to a sliding scale net smelter returns royalty ("NSR") ranging from 2.0% to 4.0%. The Company may reduce the NSR to 1.0% by paying \$2,000,000 per percent.</i>		
Tam Property	1,750,979	1,750,979
<i>A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.</i>		
Tsacha Property	2,121,788	2,121,788
<i>A 100% interest in certain claims subject to a 2.0% NSR.</i>		
Tommy Lake Property	17,518	17,518
<i>A 100% interest.</i>		
<u>OTHER BC PROPERTIES</u>		
Merit Property	50,000	22,000
<i>The Company may earn up to 60% interest by making a \$10,000 cash payment (paid), issuing 650,000 common shares (400,000 common shares issued valued at \$40,000) and expending \$750,000 in work commitments.</i>		
Nicoamen Property	50,000	22,000
<i>The Company may earn up to 60% interest by making a \$10,000 cash payment (paid), issuing 650,000 common shares (400,000 common shares issued valued at \$40,000) and expending \$750,000 in work commitments.</i>		
YUKON		
<u>BOULEVARD PROJECT</u>		
Boulevard Property	4,683,537	4,683,537
<i>A 100% interest, subject to a 2.0% NSR. Upon completion of a 43-101 report with specific resource estimates, the Company will be obligated to issue a further 1,000,000 common shares.</i>		
YCS Property	425,237	425,237
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$1,000,000.</i>		
Solitude Property	865,566	865,566
<i>A 100% interest.</i>		
Tiger Property	233,776	233,776
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$2,000,000.</i>		
	\$ 10,544,094	\$ 10,488,094

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

7. MINERAL PROPERTIES (continued)

During the nine months ended September 30, 2021, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	349,144	\$ 152,385	\$ 1,272,032	\$ 744	\$ 169,956	\$ 4,485	\$ -	\$ 1,948,746
Merit	5,250	-	1,544	-	-	3,718	-	10,512
Nicoamen	744	-	-	-	-	3,475	-	4,219
YUKON								
Boulevard Project	1,114	-	-	-	-	-	-	1,114
Others	759	668	-	-	638	-	(147,309)	(145,244)
	\$ 357,011	\$ 153,053	\$ 1,273,576	\$ 744	\$ 170,594	\$ 11,678	\$ (147,309)	1,819,347

During the nine months ended September 30, 2020, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
BRITISH COLUMBIA								
3Ts Project	\$ 12,250	\$ -	\$ 85,732	\$ 1,579	\$ 7,804	\$ 848	\$ -	\$ 108,213
Merit	1,235	14,014	-	10,968	-	-	-	26,217
Nicoamen	2,893	-	-	15,801	2,775	-	-	21,469
YUKON								
Boulevard Project	1,311	-	-	-	1,084	-	-	2,395
Others	9,410	-	-	7,503	-	-	-	16,913
	\$ 27,099	\$ 14,014	\$ 85,732	\$ 35,851	\$ 11,663	\$ 848	\$ -	\$ 175,207

Merit and Nicoamen Properties

On March 27, 2019 the Company entered into option agreements to earn 60% into each of the Merit and Nicoamen properties from Almadex Minerals Ltd. ("Almadex") by making a cash payment of \$20,000 (paid), the issuance of an aggregate of 1,300,000 common shares (800,000 issued) (note 9) and completing aggregate work commitments of \$1,450,000 including a commitment to drill 1,000 m over a three year period. Upon completion of the 60% earn-in, Almadex and the Company will form a joint venture for the purpose of carrying out further exploration work on the Nicoamen property. If either party's participation interest falls below 15%, their interest will be converted into a 2% net smelter royalty.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)**8. RELATED PARTY TRANSACTIONS***Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management for services rendered are as follows:

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Management fees	\$ 159,188	\$ 130,500
Directors fees	29,664	13,500
Geological consulting fees	18,563	29,250
Share-based compensation*	-	133,225
Total	<u>\$ 204,715</u>	<u>\$ 306,475</u>

* Share-based compensation consists of options granted to key management. The value shown above is calculated using the Black-Scholes option pricing model and does not represent actual amounts received.

Included in receivables as at September 30, 2021 is \$51,612 (December 31, 2020 - \$59,772) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities as at September 30, 2021 is \$11,129 (December 31, 2020 - \$10,050) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors and or/officers. During the nine months ended, September 30, 2021, the Company received or accrued \$24,200 (September 30, 2020 - \$16,425) for rent and \$19,750 (September 30, 2020 - \$4,650) for accounting, investor relations, geology and other.

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

As at September 30, 2021, the Company has 85,606,820 common shares issued and outstanding.

On August 9, 2021, an employee exercised 500 stock options for proceeds of \$125.

On April 22, 2021, the Company issued 357,000 common shares on the exercise of warrants for proceeds of \$42,840.

On April 15, 2021, the Company issued 100,000 common shares on the exercise of warrants for proceeds of \$12,000.

On April 1, 2021, the Company issued 400,000 common shares valued at \$56,000 to Almadex pursuant to the Merit and Nicoamen option agreements.

During the nine months ended September 30, 2021, the Company paid cash finders' fees of \$4,560, filing fees of \$12,778 and legal fees of \$7,713 related to the December 30, 2020 private placement.

On December 30, 2020 the Company completed the second tranche of a non-brokered private placement and issued 4,285,714 units ("Units") at a price of \$0.14 per unit for a proceeds of \$600,001, and 4,687,500 FT Common Shares at a price of \$0.16 per FT Common Share for a proceeds of \$750,000, for a total proceeds of \$1,350,000. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$0.20 per common share for a period of 24 months from the date of issue. In connection with this financing, the Company paid cash finders' fees of \$33,468, legal and filing fees of \$26,207 and issued an aggregate of 215,603 finders' warrants. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per common share for a period of 2 years. The finder's warrant issued as part of this private placement have been recorded at a fair value of \$49,919 using the Black-Scholes pricing model. In connection with the FT Common Shares issued, the Company recorded a flow-through premium of \$46,875. As the Company has incurred \$750,000 of exploration expenditures related to the flow-through financing, it has recognized \$46,875 of the \$46,875 flow-through premium in the consolidated statement of net loss and comprehensive loss.

On December 22, 2020 the Company completed the first tranche of a non-brokered private placement and issued 5,000,000 flow through common shares ("FT Common Shares") at a price of \$0.16 per FT Common Share for total proceeds of \$800,000. In connection with this financing, the Company paid cash finders' fees of \$24,000 and issued an aggregate of 300,000 finders' warrants.

On August 21, 2020, the Company completed a non-brokered private placement and issued 14,285,714 units for gross proceeds of \$1,000,000. Each unit was sold at a price of \$0.07 and consists of one common share and one transferable warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 2 years at a price of \$0.12. In connection with this financing, the Company paid cash finders' fees of \$43,980, legal and filing fees of \$25,862, and issued a total of 628,286 finder's warrants. The finder's warrant

INDEPENDENCE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (continued)

issued as part of this private placement have been recorded at a fair value of \$41,425 using the Black-Scholes pricing model.

On May 20, 2020, the Company issued 200,000 shares pursuant to the Merit and Nicoamen option agreements.

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at September 30, 2021, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
	1,574,500	\$ 0.25	March 1, 2022
	100,000	\$ 0.20	November 2, 2022
	1,825,000	\$ 0.15	February 4, 2024
	1,800,000	\$ 0.10	July 17, 2025
	450,000	\$ 0.18	December 18, 2025
	5,749,500		

Stock option transactions are summarized as follows:

	September 30, 2021		December 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	6,175,000	\$ 0.15	4,655,000	\$ 0.19
Granted	-	-	2,350,000	\$ 0.12
Exercised	(500)	0.25		
Expired/Cancelled	(425,000)	0.20	(830,000)	\$0.18
Balance, end of period	5,749,500	\$ 0.16	6,175,000	\$ 0.19
Options exercisable, end of period	5,749,000	\$ 0.16	6,175,000	\$ 0.15

On August 10, 2021, an employee exercised 500 stock options.

On May 18, 2021, 325,000 options granted in 2016 expired unexercised.

On April 8, 2021, the Company cancelled 100,000 options granted to former contractors.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)**9. SHARE CAPITAL AND RESERVES (continued)**

On December 18, 2020, the Company granted 550,000 stock options to employees and consultants.

On July 17, 2020, the Company granted 1,800,000 stock options to directors and employees.

On June 2, 2020, 200,000 options granted in 2015 expired unexercised.

On May 31, 2020, the Company cancelled 600,000 options granted to a former employee.

On March 31, 2020, the Company cancelled 30,000 options granted to a former employee.

d) Share-based compensation

The Company did not issue any stock options during the nine months ended September 30, 2021.

During the year ended December 31, 2020, the Company granted 2,350,000 stock options with a fair value of \$195,462. All options vest immediately on grant. The following assumptions were used for the Black-Scholes valuation of stock options granted during the noted years:

	2020
Risk-free interest rate	0.35% - 1.23%
Expected life of options	5 years
Annualized volatility	113.83% - 118.69%
Weighted average FV	\$ 0.07 - \$0.12
Expected dividend rate	0%

e) Warrants

As at September 30, 2021, the Company had 16,658,459 outstanding share purchase warrants outstanding, enabling the holders to acquire further common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
14,457,000	\$0.12	August 21, 2022
300,000	\$0.20	December 22, 2022
2,358,459	\$0.20	December 30, 2022
17,115,459		

¹ Each Warrant entitles the holder thereof to purchase one addition common share of the Company at a price of \$0.12, provided that if at any time after the date that is four month after the date of closing, the closing price of the common shares as traded on the TSX Venture Exchange is equal to or greater than \$0.25 for 10 consecutive days, the Company shall have the right to accelerate the expiry date of the warrants by giving notice to the warrant holder.

INDEPENDENCE GOLD CORP.NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (Expressed in Canadian Dollars)**9. SHARE CAPITAL AND RESERVES (continued)**

Share purchase warrant transactions are summarized as follows:

	September 30, 2021		December 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	17,572,459	\$ 0.13	-	\$ -
Issued	-	-	17,572,459	\$ 0.13
Exercised	(457,000)	0.12	-	\$ -
Balance, end of period	17,115,459	\$ 0.13	17,572,459	\$ 0.13
Warrants exercisable, end of period	17,115,459	\$ 0.13	17,572,459	\$ 0.13

10. SUBSEQUENT EVENT

On November 18, 2021, the Company issued 300,001 common shares, valued at \$36,000, related to a warrant exercise.