



**CASSIAR GOLD CORP.**  
(FORMERLY MARGAUX RESOURCES LTD.)

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

AS AT AND FOR THE  
THREE AND NINE-MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

**Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a)**, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Cassiar Gold Corp. as of June 30, 2021, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

**CASSIAR GOLD CORP.****Interim Condensed Consolidated Statements of Financial Position (Unaudited)**

<b>As at</b>	<b>June 30, 2021</b>	<b>September 30, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	3,831,827	1,962,338
GST receivable	41,414	105,004
Prepays	93,888	110,548
<b>TOTAL CURRENT ASSETS</b>	<b>3,967,129</b>	<b>2,177,890</b>
<b>NON-CURRENT</b>		
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<b>453,234</b>	<b>98,475</b>
<b>EXPLORATION AND EVALUATION ASSETS (Note 5)</b>	<b>14,578,789</b>	<b>6,685,382</b>
<b>RECLAMATION BONDS (Note 6)</b>	<b>354,944</b>	<b>-</b>
<b>DEPOSITS</b>	<b>69,500</b>	<b>45,000</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>15,456,467</b>	<b>6,828,857</b>
<b>TOTAL ASSETS</b>	<b>19,423,596</b>	<b>9,006,747</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Trade and other payables	372,548	762,432
Flow-through share premium liability (Note 7)	476,940	5,059
<b>TOTAL CURRENT LIABILITIES</b>	<b>849,488</b>	<b>767,491</b>
<b>ASSET RETIREMENT OBLIGATION (Note 6)</b>	<b>3,017,833</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,867,321</b>	<b>767,491</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL (Note 7)</b>	<b>30,309,246</b>	<b>22,341,107</b>
<b>CONTRIBUTED SURPLUS</b>	<b>10,593,193</b>	<b>9,698,737</b>
<b>DEFICIT</b>	<b>(25,346,164)</b>	<b>(23,800,588)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15,556,275</b>	<b>8,239,256</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>19,423,596</b>	<b>9,006,747</b>

**GOING CONCERN (Note 2)**

Approved by the Board of Directors:

"Marco Roque

Marco Roque, Director

"Stephen Letwin"

James Letwin, Director

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

**CASSIAR GOLD CORP.****Interim Condensed Consolidated Statements of Net Loss and Comprehensive Loss (Unaudited)**

	Three months		Nine months	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Expenses</b>				
Operating	-	16,057	<b>20,210</b>	45,590
General and administrative (Note 8)	<b>201,388</b>	197,363	<b>1,348,846</b>	601,759
Share-based payments (Note 7)	<b>165,841</b>	29,816	<b>419,811</b>	109,522
Depreciation (Note 4)	<b>15,316</b>	7,648	<b>45,947</b>	22,944
<b>Total expenses</b>	<b>382,545</b>	250,884	<b>1,834,814</b>	779,815
Other income	(31)	-	<b>273</b>	-
Interest on notes payables	-	7,700	-	16,130
Flow through share premium (Note 7)	<b>(196,452)</b>	(100,933)	<b>(457,523)</b>	(189,349)
Accretion (Note 6)	<b>56,004</b>	-	<b>168,012</b>	-
Impairment of assets	-	-	-	555,226
Net loss and comprehensive loss	<b>242,066</b>	157,651	<b>1,545,576</b>	1,161,822
Weighted average number of shares	<b>54,346,435</b>	27,010,369	<b>53,281,367</b>	23,765,327
Basic and diluted loss per common share	<b>(0.00)</b>	(0.00)	<b>(0.03)</b>	(0.01)

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

## CASSIAR GOLD CORP.

### Interim Condensed Consolidated Statements Changes in Shareholders' Equity (Unaudited)

	Note	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance as at, September 30, 2020		22,341,107	9,698,737	(23,800,588)	8,239,256
Net loss and comprehensive loss		-	-	(1,545,576)	(1,545,576)
Common shares issued, net costs	7	2,995,684	-	-	2,995,684
Warrants issued	7	2,132,260	-	-	2,132,260
Warrants expired	7	(419,005)	419,005	-	-
Stock options forfeited	7	-	(24,767)	-	(24,767)
Property option payments	7	3,259,200	-	-	3,259,200
Share-based payments	7	-	444,577	-	444,577
Capitalized share-based payments	7	-	55,641	-	55,641
<b>Balance as at, June 30, 2021</b>		<b>30,309,246</b>	<b>10,593,193</b>	<b>(25,346,164)</b>	<b>15,556,275</b>
Balance as at, September 30, 2019		15,299,752	8,832,033	(21,351,039)	2,780,746
Net loss and comprehensive loss		-	-	(1,161,822)	(1,161,822)
Common shares issued, net costs		209,138	-	-	209,138
Warrants issued		429,689	-	-	429,689
Warrants expired		(495,418)	495,418	-	-
Property option payments		2,793,600	-	-	2,793,600
Share-based payments		-	119,558	-	119,558
Capitalized share-based payments		-	1,650	-	1,650
Options forfeited		-	(10,036)	-	(10,036)
<b>Balance as at, June 30, 2020</b>		<b>18,236,761</b>	<b>9,438,623</b>	<b>(22,512,861)</b>	<b>5,162,523</b>

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

**CASSIAR GOLD CORP.****Interim Condensed Consolidated Statements of Cash Flows (Unaudited)**

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>June 30, 2021</b>	June 30, 2020	<b>June 30, 2021</b>	June 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	<b>(242,066)</b>	(157,651)	<b>(1,545,576)</b>	(1,161,822)
Items not affecting cash:				
Share-based payments	<b>165,841</b>	29,816	<b>419,810</b>	109,522
Depreciation and depletion (Note 4)	<b>15,316</b>	7,648	<b>45,947</b>	22,944
Impairment of assets	-	-	-	555,226
Interest on note payable	-	7,700	-	16,130
Flow-through share premium	<b>(196,451)</b>	(100,933)	<b>(457,524)</b>	(189,349)
Accretion (Note 5)	<b>56,004</b>	-	<b>168,012</b>	-
Change in non-cash working capital				
GST receivables	<b>(22,027)</b>	(1,449)	<b>63,590</b>	9,446
Prepays	<b>(2,330)</b>	(8,072)	<b>16,660</b>	15,170
Deposits	<b>(24,500)</b>	-	<b>(24,500)</b>	25,700
Trade and other payables	<b>40,426</b>	74,535	<b>(389,884)</b>	18,650
<b>Net cash used in operating Activities</b>	<b>(209,787)</b>	(148,406)	<b>(1,703,465)</b>	(578,383)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from share and warrant issuance, net of costs	-	259,932	<b>6,057,349</b>	828,177
Proceeds from note payables	-	250,000	-	340,000
Repayment of note payables	-	(480,000)	-	(480,000)
Deferred share capital issuance	-	2,094,745	-	2,094,745
<b>Net cash generated from financing activities</b>	<b>-</b>	2,124,677	<b>6,057,349</b>	2,782,922
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Exploration and evaluation	<b>(1,105,304)</b>	(362,913)	<b>(2,348,395)</b>	(685,008)
Cash option payments	-	-	<b>(136,000)</b>	-
<b>Net cash used in investing activities</b>	<b>(1,105,304)</b>	(362,913)	<b>(2,484,395)</b>	(685,008)
<b>INCREASE (DECREASE) IN CASH FOR THE PERIOD</b>	<b>(1,315,091)</b>	1,613,358	<b>1,869,489</b>	1,519,531
<b>CASH – BEGINNING OF PERIOD</b>	<b>5,146,918</b>	40,303	<b>1,962,338</b>	134,130
<b>CASH – END OF PERIOD</b>	<b>3,831,827</b>	1,653,661	<b>3,831,827</b>	1,653,661

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

## 1. CORPORATE INFORMATION

Margaux Resources Ltd. was incorporated under the Alberta Business Corporations Act on August 5, 2009 and changed its name to Cassiar Gold Corp. (the “Corporation” or “Cassiar”) on September 23, 2020. The Corporation currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols “GLDC” and “CGLCF” respectively. The registered address of the Corporation is 15<sup>th</sup> Floor, Bankers Court, 850 – 2<sup>nd</sup> St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a mineral acquisition and exploration company focused on gold exploration within British Columbia.

On September 23, 2020, the Corporation’s common shares were consolidated on a basis of one post-consolidated common share for every 5 pre-consolidated common share. The number of shares, options and warrants presented have been adjusted to reflect the impact of this share consolidation.

## 2. GOING CONCERN

These interim condensed consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation incurred a net loss of \$242,066 and \$1,545,576 (2020 - \$157,651 and \$1,161,822) and had negative cash flows relating to operating activities of \$209,787 and \$1,703,465 (2020 - \$148,406 and \$578,383) for the three and nine-months periods ended June 30, 2021. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or issuing debt.

The application of the going concern concept is dependent upon the Corporation’s ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

### **COVID-19 Public Health Crisis**

The Corporation’s business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures and government enforced lockdowns, along with a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other restrictions pursuant to public health orders. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether or to what extent this outbreak and its financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market

sentiment and reduced mobility of people. All of the foregoing may impact mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of COVID-19 and related public health orders may include but are not limited to the following: potential slowdowns or temporary suspensions of operations in locations impacted by an outbreak; interruptions to supply chains and supplies upon which the Corporation relies; restrictions that the Corporation and its contractors and subcontractors impose to ensure the safety of employees and others; increased labor costs; regulatory changes; political or economic instabilities; and civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an “essential service”. Provided the Corporation’s exploration activities continue to be so designated and the current availability of labor and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Corporation expects that its personnel and/or consultants will be able to continue surveying and drilling activities respecting any exploration activities without significant delays or increases in cost.

The Corporation has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and these factors are beyond the Corporation’s control; however, it is possible that COVID-19 may have a material adverse effect on the Corporation’s business, results of operations and financial condition.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

These Financial Statements are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting. These Financial Statements are presented in Canadian dollars which is the Corporation's functional currency. In preparing these Financial Statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2020 with the exception of those listed below.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2020 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2020. These Financial Statements were authorized for issue by the board of directors on August 25, 2021.

#### **Basis of Consolidation**

These Financial Statements include the accounts of the Corporation and its wholly owned subsidiary, Cassiar Gold (2020) Corp. (“Cassiar 2020”). The Corporation consolidates these subsidiaries on the basis that it controls these subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

#### **Asset retirement obligation (“ARO”)**

Restoration provision is made for future obligations to retire long-lived assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date. Upon initial recognition of the ARO liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The ARO liability increases in following periods as the accretion expenses are accounted for. The ARO is adjusted annually for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.



## Management judgments and estimates

### *Asset retirement obligation (“ARO”)*

Provision on the retirement of the E&E assets and site restoration is based on many assumptions and judgments: future estimated costs, expected amounts of cash flows to discharge the obligation, timing of such cash flows and the prevalent market discount rate. Any changes to the assumptions will result in an adjustment to the provision which affects the Corporation’s liabilities and operating results.

## 4. PROPERTY AND EQUIPMENT

	Land \$	Buildings \$	Computers, Equipment & Vehicles \$	Total \$
<b>Balance as at September 30, 2020</b>	-	-	260,286	260,286
Acquired on acquisition	20,000	380,706	-	400,706
<b>Balance as at June 30, 2021</b>	<b>20,000</b>	<b>380,706</b>	<b>260,286</b>	<b>660,992</b>
<b>Accumulated Depreciation</b>				
Balance as at September 30, 2020	-	-	161,811	161,811
Charge for the period	-	28,553	17,394	45,947
<b>Balance as at June 30, 2021</b>	-	<b>28,553</b>	<b>179,205</b>	<b>207,758</b>
<b>Net book value</b>				
September 30, 2020	-	-	98,475	98,475
<b>June 30, 2021</b>	<b>20,000</b>	<b>352,153</b>	<b>81,081</b>	<b>453,234</b>

## 5. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
<b>Balance at September 30, 2020</b>	\$ 4,846,166	\$ 1,839,216	\$ 6,685,382
Share option payments	3,259,200	-	3,259,200
Cash option payments	-	136,000	136,000
Acquisition of assets	2,094,171	-	2,094,171
Exploration costs	2,404,036	-	2,404,036
<b>Balance at June 30, 2021</b>	<b>\$ 12,603,573</b>	<b>\$ 1,975,216</b>	<b>\$ 14,578,789</b>

Exploration and Evaluation (“E&E”) assets consist of costs expended on the Corporation’s projects which are pending determination of technical feasibility and commercial viability.

### Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement with Wildsky Resources Inc. (“Wildsky”) for an option to acquire a 100% interest in the Cassiar Gold Project (“Cassiar Gold Option Agreement”) by way of an all-share agreement. In order to exercise the option, the Corporation must issue 11,640,000 common shares over 18 months. Pursuant to the Cassiar Gold option Agreements the Corporation must also undertake exploration on the Cassiar Gold property and must satisfy certain other conditions as follows:

- (a) Cassiar will expend at least \$400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;

(b) Six months after the transfer of the Corporation’s common shares, Wildsky will have the right to appoint one member to the board of directors of Cassiar;

(c) Twelve months after the transfer of the Corporation’s common shares, Wildsky will have the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar;

(d) Twelve months after the transfer of the Corporation’s common shares, Wildsky will have the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably; and,

(e) Wildsky being granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar property, after capital payout of up to \$500,000.

During the period ended June 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation.

### **Sheep Creek Gold District Project**

The Sheep Creek Project consists of the Bayonne and Sheep Creek Properties (collectively the “Sheep Creek Project”).

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

Under the terms of the Bayonne and Sheep Creek Option Agreement and as amended on February 10, 2020, July 10, 2020, February 15, 2021, the Corporation has the exclusive option to acquire:

- the Bayonne Property, by making payments to Yellowstone Resources Ltd. of an aggregate \$154,000 cash and aggregate issuance of 182,727 shares, paid in several installments over three years (Paid in full).
- the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$436,000 cash and aggregate issuance of 150,000 shares and 242,424 deferred payment shares, paid in several installments over five years.

During the period ended June 30, 2021 the Corporation paid \$136,000 in cash to satisfy the third anniversary payment on the Sheep Creek property.

### **6. ASSET RETIREMENT OBLIGATION (“ARO”)**

Cassiar (2020) has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

	<b>As at June 30, 2021</b>
<b>Asset retirement obligation – Acquired on acquisition</b>	\$ 2,849,821
Accretion expense	168,012
<b>Balance at June 30, 2021</b>	<b>\$ 3,017,833</b>

As at June 30, 2021 Cassiar (2020) had \$354,944 (September 30, 2020 - \$nil) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. The reclamation bonds are interest bearing at the prime rate less 0.60% and 0.70% respectively. The reclamation bonds are hypothecated and automatically renewed upon maturity.

## 7. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

### Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	Share capital
<b>Balance at September 30, 2020</b>	<b>40,153,520</b>	<b>\$16,525,261</b>
Shares issued (c)	9,536,915	6,651,554
Share option payments (a)	4,656,000	3,259,200
Share issue costs		(594,205)
Warrant allocation		(2,132,260)
Flow through share discount		(929,405)
<b>Balance at June 30, 2021</b>	<b>54,346,435</b>	<b>\$22,780,145</b>

Warrants		
	Number of warrants	Share capital
<b>Balance at September 30, 2020</b>	<b>19,468,149</b>	<b>\$5,815,846</b>
Warrants issued (c)	4,768,458	2,132,260
Warrants expired (b)(d)(e)(f)	(3,295,689)	(419,005)
<b>Balance at June 30, 2021</b>	<b>20,940,918</b>	<b>\$7,529,101</b>

Total share capital at September 30, 2020 \$22,341,107

**Total share capital at June 30, 2021 \$30,309,246**

- (a) On October 1, 2020, the Corporation issued an aggregate of 4,656,000 common shares Corporation valued at a market close price of \$0.70 per share of the Corporation satisfying the fourth and last tranche issuable under the Cassiar Option Agreement.
- (b) On October 16, 2020, 1,406,620 warrants expired unexercised.
- (c) On October 30, 2020, the Corporation closed on a non-brokered private placement of 3,252,867 units of the Corporation at a purchase price of \$0.60 per unit, 3,775,715 flow-through units at a purchase price of \$0.70 per unit, and 2,508,333 charitable flow-through units a purchase price of \$0.82 per unit, for total proceeds of \$6,650,000. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant of the Corporation. Each flow-through unit and charitable flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through purchase warrant. Each whole warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of \$0.90 per Warrant Share for a period of two years from October 30, 2020.

Risk-free rate	0.24%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	168%
Weighted-average fair value	\$0.45
Expected Life	2 years

(d) On December 4, 2020, 710,000 warrants expired unexercised.

(e) On April 15, 2021, 775,000 warrants expired unexercised.

(f) On May 30, 2021, 404,069 warrants expired unexercised.

### Flow-through shares

As at October 1, 2020, the Corporation still needed to incur an additional \$64,185 related to the \$1,541,000 raised on a CEE flow-through basis during the year ended September 30, 2020. During the three and nine-months periods ended June 30, 2021, the Corporation incurred the remaining amounts. The remaining \$5,059 flow-through share premium liability was amortized during the period.

During the period ended June 30, 2021, the Corporation raised \$4,699,834 on a CEE flow-through share basis and was required to incur a net total of \$4,699,834 of qualifying expenditures to renounce the tax deductions to investors. As at June 30, 2021, \$2,200,972 of qualifying expenditures were incurred. The Corporation still needs to incur an additional \$2,498,862 to meet its flow through share commitment. A flow-through share liability of \$476,940 was recognized as the Corporation has not met its flow-through share commitment by incurring sufficient qualifying expenditures as at June 30, 2021. The accumulated flow-through share premium of \$457,523 was amortized during the period. The Corporation expects to meet its flow-through share commitment.

### Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at September 30, 2020	2,402,001	\$0.82
Granted	<b>1,764,000</b>	<b>\$0.60</b>
Forfeited	(123,333)	\$0.86
Cancelled	(36,667)	\$0.61
<b>Exercisable as at June 30, 2021</b>	<b>2,063,324</b>	<b>\$0.81</b>
<b>Outstanding at June 30, 2021</b>	<b>4,006,001</b>	<b>\$0.72</b>

Cassiar Gold Corp. (formerly Margaux Resources Ltd.)  
Notes to the Interim Condensed Consolidated Financial Statements  
For the three and nine-months periods ended June 30, 2021 and 2020

During the period ended June 30, 2021, 1,764,000 options were issued. At June 30, 2021, the weighted-average life of the options outstanding was 2 years (2020 – 2 years).

The fair value of options is estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free interest rate	0.99%
Expected stock price volatility*	143%
Expected life	5
Expected dividend yield	-
Fair value per option granted	\$0.39
Forfeiture rate	12%

Share-based payments expense of \$165,841 and \$419,811 for the three and nine-months periods ended June 30, 2021 (2020 – \$29,816 and \$109,522) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of \$26,184 and \$55,641 (2020 - \$550 and \$1,650) were capitalized to E&E. The Corporation also recognized a recovery of \$14,388 and \$24,767 (2020 - \$nil) in share-based payments expense due to forfeited options during the year.

## 8. GENERAL AND ADMINISTRATIVE

General and administrative details for periods ended June 30:

	3 Months		9 Months	
	2021	2020	2021	2020
Management fees	\$ 87,000	\$ 67,500	\$ 320,500	\$ 212,500
Consulting	41,175	62,547	348,675	149,773
Travel & Meals	-	341	7,409	49,561
Office & Administrative	16,443	8,414	46,897	24,445
Marketing	38,491	27,616	532,644	77,106
Professional Fees	18,279	30,945	92,721	88,374
<b>Total</b>	<b>\$ 201,388</b>	<b>\$ 197,363</b>	<b>\$ 1,348,846</b>	<b>\$601,759</b>

## 9. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at June 30, 2021, the Corporation had an amount of \$36,000 (2020 - \$29,190) due to directors and officers included in trade and other payables.

During the three and nine-months periods ended June 30, 2021 the Corporation paid \$45,000 and \$135,000 (2020 - \$38,400 and \$79,350) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of \$1,359 and \$10,402 (2020 - \$242 and \$923) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of \$33,000 and \$88,500 (2020 - \$22,500 and \$67,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of \$54,000 and \$162,000 (2020 - \$45,000 and \$145,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President of the Corporation.

**Compensation of key management personnel**

The remuneration of directors and other members of key management personnel during the three and nine-months periods ended June 30 were as follows:

	3 Months		9 Months	
	2021	2020	2021	2020
Short-term compensation	\$ 132,000	\$ 105,900	\$ 430,500	\$ 291,850
Share-based payments	165,841	29,816	419,811	109,522
Capitalized share-based payments	26,184	550	55,641	1,650
<b>Total</b>	<b>\$ 324,025</b>	<b>\$ 136,266</b>	<b>\$ 905,952</b>	<b>\$ 403,022</b>

**10. SUBSEQUENT EVENTS**

On August 14, 2021, the Corporation closed on a non-brokered private placement of 520,971 flow-through units of the Corporation at a purchase price of \$0.60 per unit and 5,312,360 premium flow-through units at a purchase price of \$0.60 per unit, for total proceeds of \$3.5 Million. Each Flow-Through Unit consists of one common share issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) ("CEE Share") in the capital of the Company and one flow-through Common Share purchase warrant ("FT Warrant"). Each FT Warrant will be exercisable by the holder thereof to acquire one CEE Share at a price of \$0.675 for a period of 24 months following the closing date of the Offering. Each Premium Flow-Through Unit consists of one CEE Share and one warrant ("Warrant"). Each Warrant will be exercisable by the holder thereof to acquire one common share in the capital of the Company (a "Warrant Share") at a price of C\$0.675 for a period of 24 months following the closing date of the Offering.