

# **American Creek Resources Ltd.**

Interim Financial Statements

**March 31, 2021**

(Expressed in Canadian dollars)

## **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 financial statements of American Creek Resources Ltd. (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.

# American Creek Resources Ltd.

## Interim Statements of Financial Position

As at March 31, 2021 and December 31, 2020

(unaudited – prepared by management)

(expressed in Canadian dollars)

	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,974,480	4,812,982
Prepaid expenses and deposits (note 4)	10,187	114,624
Receivable (note 5)	67,650	52,526
Marketable securities (note 8)	-	3,725,327
Short term loan (note 18)	53,783	-
	<u>2,106,100</u>	<u>8,705,459</u>
<b>Reclamation bonds</b> (note 6)	80,000	80,000
<b>Property and equipment</b> (note 7)	-	388,453
<b>Exploration and evaluation assets</b> (notes 9 and 17)	<u>380,720</u>	<u>3,632,605</u>
	<u>2,566,820</u>	<u>12,806,517</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 10 and 13)	199,929	185,612
Flow-through liability (note 11)	5,487	5,487
Cash from investors	2,000	-
	<u>207,416</u>	<u>191,099</u>
<b>Shareholders' Equity</b>		
<b>Share capital</b> (note 11)	40,070,697	39,885,293
<b>Reserves</b> (note 11)	13,117,202	11,218,467
<b>Deficit</b>	<u>(50,828,495)</u>	<u>(38,488,342)</u>
	<u>2,359,404</u>	<u>12,615,418</u>
	<u>2,566,820</u>	<u>12,806,517</u>
<b>Going concern</b> (note 1)		
<b>Commitments</b> (note 17)		

See accompanying notes to these interim financial statements.

### Approved by the Board of Directors

*"Darren R. Blaney"*

Director

*"Robert N. Edwards"*

Director

# American Creek Resources Ltd.

## Interim Statements of Income and Comprehensive Income (Loss)

For the periods ended March 31,

(unaudited – prepared by management)

(expressed in Canadian dollars)

	2021 \$	2020 \$
<b>Expenses</b>		
Advertising and promotion	21,277	16,863
Business development and property investigation	20,051	10,563
Corporate communications	6,235	6,411
Depreciation on equipment (note 7)	-	9,770
Filing and transfer agent fees	19,150	7,900
Management fees (note 13)	275,500	103,693
Office and administration	24,921	34,305
Professional fees	40,338	32,253
Stock-based compensation (note 11 and 13)	1,958,867	-
	<u>(2,366,339)</u>	<u>(221,758)</u>
<b>Other</b>		
Gain from distribution as per plan of arrangement (note 9)	(2,415,540)	-
Gain on disposal of marketable securities and change in fair market value (note 8)	(728,259)	-
	<u>777,460</u>	<u>(221,758)</u>
<b>Net and Comprehensive income (loss)</b>		
	<u>(0.00)</u>	<u>(0.00)</u>
<b>Basic and diluted loss per common share</b>		
	<u>397,446,088</u>	<u>348,744,950</u>
<b>Basic and diluted weighted average number of common shares outstanding</b>		

See accompanying notes to these interim financial statements.

# American Creek Resources Ltd.

## Interim Statements of Changes in Equity

For the periods ended March 31

(unaudited – prepared by management)

(expressed in Canadian dollars)

	Share capital		Reserves			Equity \$
	Number of shares	Amount \$	Share-based payment reserve \$	Warrant reserve \$	Deficit \$	
<b>Balance as at January 1, 2020</b>	397,190,109	39,885,293	6,951,333	4,267,134	(38,488,342)	12,615,418
Shares issued:						
Exercised warrants (note 11)	2,083,222	115,272	-	-	-	115,272
Exercised options (note 11)	200,000	10,000			-	10,000
Valuation of warrants exercised (note 11)	-	52,176	-	(52,176)	-	-
Valuation of options exercised (note 11)	-	7,956	(7,956)	-	-	-
Valuation of options granted (note 11)	-	-	1,958,867	-	-	1,958,867
<b>Net and comprehensive income</b>	-	-	-	-	777,460	777,460
<b>Distribution as per plan of arrangement</b>	-	-	-	-	(13,117,613)	(13,117,613)
<b>Balance as at March 31, 2021</b>	399,473,331	40,070,697	8,902,244	4,214,958	(50,828,495)	2,359,404
<b>Balance as at January 1, 2020</b>	339,666,943	33,129,889	6,162,736	5,888,802	(39,373,349)	5,808,078
Shares issued:						
Shares issued for exploration and evaluation assets	3,000,000	210,000	-	-	-	210,000
<b>Net and comprehensive loss</b>	-	-	-	-	(221,758)	(221,758)
<b>Balance as at March 31, 2020</b>	339,666,943	33,339,889	6,162,736	5,888,802	(39,595,107)	5,796,320

See accompanying notes to these interim financial statements.

# American Creek Resources Ltd.

## Interim Statements of Cash Flows

For the periods ended March 31,

(unaudited – prepared by management)

(expressed in Canadian dollars)

	2021 \$	2020 \$
<b>Operating activities</b>		
Net income (loss) for the period	777,460	(221,758)
Items not affecting cash		
Depreciation on equipment	-	9,770
Gain from distribution as per plan of arrangement	(2,415,540)	-
Gain on disposal of marketable securities and change in fair market value	(728,259)	-
Gain on shares issued to settle payables	1,958,867	-
Stock-based compensation	-	-
	(407,472)	(211,988)
Changes in non-cash working capital		
Prepaid expenses and deposits	104,437	4,723
Receivables	(15,124)	(11,651)
Accounts payable and accrued liabilities	14,317	34,321
	(303,842)	(184,595)
<b>Cash used in operating activities</b>	(303,842)	(184,595)
<b>Financing activities</b>		
Proceeds from issuance of capital stock	125,272	-
<b>Cash provided by financing activities</b>	125,272	-
<b>Investing activities</b>		
Expenditures of exploration and evaluation assets	-	(97,219)
Expenditures on property and equipment	(108,149)	-
Issuance of short term loan	(53,783)	-
Cash received from investors	2,000	-
Cash paid as per plan of arrangement	(2,500,000)	-
<b>Cash used in investing activities</b>	(2,659,932)	(97,219)
<b>Increase in cash</b>	(2,838,502)	(281,814)
<b>Cash – beginning</b>	4,812,982	1,647,543
<b>Cash – ending</b>	1,974,480	1,365,729
<b>Supplemental disclosures with respect to cash flows</b> (note 13)		

See accompanying notes to these interim financial statements.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

**March 31, 2021 and 2020**

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(unaudited – prepared by management)

(expressed in Canadian dollars)

### **1 Nature of operations and going concern**

American Creek Resources Ltd. (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on February 12, 2004 and continued into Alberta on August 26, 2005. On December 11, 2018, the Company continued again into British Columbia. The Company is engaged in the exploration and development of mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 92 – 2nd Avenue W, Cardston, AB, Canada, T0K 0K0. The Company’s registered address and records office is 890 West Pender St., Suite 600, Vancouver, British Columbia, Canada, V6C 1J8.

The Company’s primary listing is on the TSX Venture Exchange under the ticker symbol “AMK”.

#### **Going concern**

These interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company generated a net income of \$777,460 during the period ended March 31, 2021 (2020 – net loss of \$221,758), generated negative cash flows from operating activities of \$303,842 (2020 – \$184,595) and, as of that date the Company’s deficit was \$50,828,495 (2020 – \$39,595,107) and working capital was \$1,898,684 (2020 – \$8,514,360). 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. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management intends to finance operating costs over the next twelve months with existing working capital. Should additional capital be required to fund exploration and/or acquire new projects, other financing alternatives such as private placements of common stock will be considered. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

These interim financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported expenses that would be necessary if the Company were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

**March 31, 2021 and 2020**

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(unaudited – prepared by management)

(expressed in Canadian dollars)

### **2 Basis of preparation**

#### **Statement of compliance**

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”).

These interim unaudited condensed financial statements do not include all of the information required for full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this unaudited condensed interim financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020. The effects of the adoption of new and amended IFRS pronouncements have been disclosed below in these condensed interim financial statements.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company’s most recent annual financial statements for the year ended December 31, 2020.

These financial statements were approved for issuance by the Company’s board of directors (“Board”) on May 31, 2021.

These financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies in note 3. They are presented in Canadian dollars which is the Company’s functional currency.

### **3 Significant accounting policies**

The accounting policies followed in these unaudited financial statements have been applied consistently to all periods presented in these financial statements.

#### **New Standards, Amendments and Interpretations**

##### ***New standards and interpretations adopted***

Amendments to IFRS 3, Business Combinations (effective January 1, 2020) assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. The Company does not expect this standard to impact its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s interim financial statements.



# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

(unaudited – prepared by management)

(expressed in Canadian dollars)

### 4 Prepaid expense and deposits

The prepaid expenses for the Company are comprised of the following:

	<b>2021</b>	<b>2020</b>
	\$	\$
Insurance	9,512	14,449
Vendor prepayments (note 13)	675	100,175
	<u>10,187</u>	<u>114,624</u>

### 5 Receivable

The Company's receivable arose from a goods and service tax receivable which are due from Canadian government taxation authorities.

### 6 Reclamation Bonds

The Company has posted bonds with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bonds were posted in relation to the following properties and amounts:

	<b>2020</b>	<b>2019</b>
	\$	\$
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Gold Hill	16,000	16,000
Dunwell	8,000	8,000
	<u>80,000</u>	<u>80,000</u>

### 7 Property and equipment

	<b>Computer and office equipment</b>	<b>Exploration equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Land and Buildings</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Cost – December 31, 2019	42,242	269,500	56,895	177,650	350,000	896,287
Additions	1,394	-	-	-	-	1,394
Disposals	(29,615)	(195,279)	(43,111)	(71,649)	-	(339,654)
Cost – December 31, 2020	<u>14,021</u>	<u>74,221</u>	<u>13,784</u>	<u>106,001</u>	<u>350,000</u>	<u>558,027</u>
Additions	-	16,085	-	92,064	-	108,149
Disposals	(14,021)	(90,306)	(13,784)	(198,065)	(350,000)	(666,176)

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

(unaudited – prepared by management)

(expressed in Canadian dollars)

	Computer and office equipment \$	Exploration equipment \$	Furniture and fixtures \$	Vehicles \$	Land and Buildings \$	Total \$
Cost – March 31, 2021	-	-	-	-	-	-
Accumulated depreciation – December 31, 2019	(32,137)	(262,950)	(53,869)	(83,341)	(1,250)	(433,547)
Additions	(3,448)	(2,237)	(1,134)	(21,693)	(14,938)	(43,450)
Disposals	29,104	192,694	41,219	44,406	-	307,423
Accumulated depreciation – December 31, 2020	(6,481)	(72,493)	(13,784)	(60,628)	(16,188)	(169,574)
Additions	-	-	-	-	-	-
Disposals	6,481	72,493	13,784	60,628	16,188	169,574
Accumulated depreciation – March 31, 2021	-	-	-	-	-	-
Net carrying amounts – December 31, 2020	7,540	1,728	-	45,373	333,812	388,453
March 31, 2021	-	-	-	-	-	-

On February 24, 2021 the Company completed the plan of arrangement with Stinger Resources Inc. (“Stinger”). Pursuant to the purchase and sale agreement, the spun-off all property and equipment to Stinger as of that date (note 18).

## 8 Marketable securities

As at February 25, the Company held 1,400,499 common shares of Tudor Gold Corp (“Tudor Shares”). On this date, the Company completed the plan of arrangement with Stinger and pursuant to the purchase and sale agreement, all Tudor Shares were transferred to Stinger. The shares were valued at \$3.18 per share on the date of the agreed disposition and prior to the completion of the plan of arrangement, a gain on disposal was recorded in the amount of \$728,259.

During the year ended December 31, 2020, the Company received an additional 1,400,000 Tudor Shares as proceeds from the sale of exploration and evaluation assets (note 9). The shares were valued at \$1.49 per share on the date of the agreed disposition. At December 31, 2020, the shares had increased in value to \$2.66 per share resulting in an unrealized gain on the total value of the marketable securities of \$1,638,998.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

**March 31, 2021 and 2020**

(unaudited – prepared by management)

(expressed in Canadian dollars)

### 9 Exploration and evaluation assets

As at March 31, 2021, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – December 31, 2020	119,944	336,100	803,475	200,000	239,514	1,699,033
Additions	-	-	-	-	-	-
Disposals	-	(336,100)	(803,475)	(200,000)	(239,514)	(1,579,089)
Acquisition costs – March 31, 2021	119,944	-	-	-	-	119,944
Exploration costs – December 31, 2020	260,776	467,927	1,121,659	53,671	29,539	1,933,572
Additions	-	-	-	-	-	-
Disposals	-	(467,927)	(1,121,659)	(53,671)	(29,539)	(1,672,796)
Exploration costs – March 31, 2020	260,776	-	-	-	-	260,776
Total March 31, 2021	380,720	-	-	-	-	380,720

On February 25, 2021, the Company completed the plan of arrangement with Stinger in which it spun-off the Gold Hill, the Dunwell, the Ample Goldmax, the Glitter King, the Silverside and the D-1 McBride properties (note 18). Pursuant to the purchase and sale agreement the Company was reimbursed for the acquisition costs and the exploration expenditures up to the completion date of the plan of arrangement. These properties have been removed from the above table as a disposal.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

**March 31, 2021 and 2020**

(unaudited – prepared by management)

(expressed in Canadian dollars)

As at December 31, 2020, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	<b>Electrum, B.C., Canada \$</b>	<b>Treaty Creek, B.C., Canada \$</b>	<b>Gold Hill, B.C., Canada \$</b>	<b>Dunwell, B.C., Canada \$</b>	<b>Ample Goldmax, B.C., Canada \$</b>	<b>Other Properties, B.C. Canada \$</b>	<b>Total \$</b>
Acquisition costs – December 31, 2019	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Additions	-	-	-	261,475	159,500	180,514	601,489
Disposals	(432,185)	-	-	-	-	-	(432,185)
Acquisition costs – December 31, 2020	-	119,944	336,100	803,475	200,000	239,514	1,699,033
Exploration costs – December 31, 2019	640,046	260,776	450,911	864,641	20,429	5,104	2,241,907
Additions	-	-	17,016	257,018	33,242	24,435	331,711
Disposals	(640,046)	-	-	-	-	-	(640,046)
Exploration costs – December 31, 2020	-	260,776	467,927	1,121,659	53,671	29,539	1,933,572
Total December 31, 2020	-	380,720	804,027	1,925,134	253,671	269,053	3,632,605

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

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(expressed in Canadian dollars)

### **Electrum Property, British Columbia, Canada**

The Electrum property is located north of Stewart, British Columbia. The claims were acquired via an option agreement which all terms and conditions have been completed through total cash payments of \$210,000 and 2,500,000 common shares issued with fair value ranging from \$0.12 to \$0.75 per share. This property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase the 2% NSR at any time for \$1,000,000. In 2016, the Company recorded an impairment on the value of the Electrum property in the amount of \$4,545,601. The Company then disposed of a 60% interest in the property for net cash proceeds of \$493,999 and 1,000,000 common shares of the purchaser with a fair value of \$1.18 under the terms of a joint venture agreement.

During the year ended December 31, 2020, the Company disposed of its remaining 40% interest in the Electrum property including the Slippery Willow claims for proceeds of \$250,000 cash and 1,400,000 shares of Tudor Gold Corp. (note 8). The value of the shares at the date of the agreement was \$1.49 per share, which resulted in a gain on disposal totaling \$1,263,769. The Slippery Willow property located adjacent to the Company's Electrum property was also included as part of the disposition.

### **Treaty Creek Property, British Columbia, Canada**

The Treaty Creek property is located northeast of Stewart, British Columbia. In 2009, the Company completed the requirements as set out in the option agreement to earn a 51% interest in the property by issuing 100,000 common shares with a fair value ranging from of \$0.23 to \$0.24 per share and by incurring the balance of aggregate exploration expenditures in excess of \$5,000,000. Each of the claims that make up the property is subject to either a 1% or 2% NSR royalty on the Company's ownership interest only. The Company has the option to purchase the royalty interests for \$1,500,000 with the exception of 0.5% which can not be purchased and will remain on the claims. In 2016, an impairment of \$6,548,376 on the value of the Treaty Creek property was recorded. The Company then disposed of 31% of its 51% interest in the property for 500,000 common shares of the purchaser with a fair value of \$1.18 per share. The Company transferred 25% of the 500,000 common shares of the purchaser to the NSR holders fulfilling this obligation under the agreement. The Company maintains a 20% interest in the property and is not obligated to contribute towards costs until a production notice is given by the operator of the property. No exploration costs were incurred during the current or prior period due to the Company's carried interest terms.

### **Gold Hill Property, British Columbia, Canada**

The Gold Hill property is located near Fort Steele, British Columbia and was purchased on March 9, 2015. Consideration paid for the Gold Hill property consisted of 3,734,444 shares issued to the vendor and 373,444 shares issued as an arms-length finder's fee with a fair value of \$0.09 per share. Exploration costs in the amount of \$Nil (2020 - \$17,016) were incurred during the current period.

### **Dunwell Property, British Columbia, Canada**

The Dunwell property is a combination of three acquired properties and is located near Stewart, British Columbia. The first of the three properties, the Silvershot property was acquired through staking in the amount of \$412. The second property, the Dunwell property, was purchased through the acquisition of a private company which holds 100% interest in the property by issuing 7,000,000 shares for fair value of \$490,000. The property was

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

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(expressed in Canadian dollars)

subsequently transferred into the Company's name. The third property, the Bear River property, was purchased by issuing 800,000 shares with fair value of \$52,000.

During the year ended December 31, 2020, the Company acquired 45 crown grants overlapping or adjoining the current exploration claims by issuing 3,000,000 common shares with fair value of \$210,000 (note 11) and \$50,000 cash. Total acquisition costs for the claims also included filing fees of \$1,475. Exploration costs in the amount of \$Nil (2020 - \$257,018) were also incurred.

### **Ample Goldmax Property, British Columbia, Canada**

In 2016, the Company entered into an option agreement to acquire a 100% interest in the Ample Goldmax property located near Lillooet, British Columbia (note 17). The Ample Goldmax claims are subject to a 25% net profit royalty associated with any bulk sample as defined in the agreement. Acquisition costs in 2017 included cash option payments of \$17,000 and the issuance of 200,000 common shares with a fair value of \$14,000. Acquisition costs in 2016 included the issuance of 100,000 common shares with a fair value of \$9,500.

During the year ended December 31, 2020, the Company issued 550,000 shares with a fair value of \$159,500 in accordance with an amended agreement (notes 11 and 17).

Exploration costs in the amount of \$Nil (2020 - \$33,242) were incurred.

### **Other Properties, British Columbia, Canada**

In 2016, the Company entered into option agreements to acquire a 100% interest in the Silverside Property located near Clearwater, British Columbia, the Red Tusk Property located near Squamish, British Columbia and the Glitter King Property located on Pitt Island, British Columbia. Combined acquisition costs in 2017 included cash option payments of \$32,500 and the issuance of 175,000 common shares with a fair value of \$12,250. Combined acquisition costs in 2016 included the issuance of 150,000 common shares with a fair value of \$14,250. Each of the claims are subject to a 3% NSR royalty interest that can be purchased for \$500,000 for each 1% interest purchased. During the year ended December 31, 2017, the Red Tusk Property was fully impaired and was returned to the vendor.

During the year ended December 31, 2020, the Company issued 600,000 shares with a fair value of \$174,000 in accordance with an amended agreement for the Glitter King and Silverside properties (notes 11 and 17).

Exploration costs in the amount of \$Nil (2020 - \$24,435) were incurred on the Glitter King and Silverside properties combined (note 17).

The Austruck-Bonanza property is located near Kamloops, British Columbia. The property was considered impaired in 2019 and \$16,191 in exploration costs were written off.

The Company owns 100% of the D-1 McBride Property. Additional claims were staked during the year resulting in acquisition costs of \$6,514.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

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(expressed in Canadian dollars)

### 10 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are comprised of the following:

	<b>2021</b>	<b>2020</b>
	\$	\$
Trade payables (note 13)	179,929	165,612
Accrued liabilities	20,000	20,000
	<hr/>	<hr/>
	199,929	185,612

### 11 Share capital and reserves

#### Share capital

a) Authorized

Unlimited number of common shares; and  
Unlimited number of preferred shares.

b) Issued and outstanding

#### Share issuances

During the period ended March 31, 2021, the Company:

- i) Issued 200,000 common shares with a fair value of \$10,000 from the exercise of incentive options. Option value at the time of grant was also transferred to share capital in the amount of \$7,956.
- ii) Issued 2,083,222 common shares with a fair value of \$115,272 from the exercise of warrants. Warrant value at the time of grant was also transferred to share capital in the amount of \$52,176.

During the year ended December 31, 2020, the Company:

- i) Issued 4,150,000 common shares with a fair value of \$543,500 to acquire exploration and evaluation assets (notes 9 and 17).
- ii) Issued 50,373,166 common shares for cash proceeds of \$4,320,940 from the exercise of warrants. Warrant value at the time of purchase was also transferred to share capital in the amount of \$1,621,668.
- iii) Issued 3,000,000 common shares for cash proceeds of \$150,000 from the exercise of options. Option value at the time of grant was also transferred to share capital in the amount of \$119,296.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

(expressed in Canadian dollars)

iv) Related to the flow-through liability of \$105,000 that was recognized in conjunction with the FT Unit offering during the year ended December 31, 2019. \$99,513 was recovered during the year ended December 31, 2020 due to eligible expenditures being incurred.

i) Stock options and warrants

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant.

Stock options transactions and the number of stock options outstanding are summarized as follows:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Balance – December 31, 2019	33,320,000	0.07
Options granted	3,300,000	0.26
Options exercised	(3,000,000)	0.05
Options cancelled	(20,000)	0.10
	<hr/>	
Balance – December 31, 2020	33,600,000	0.07
Options granted	6,300,000	0.32
Options exercised	(200,000)	0.05
	<hr/>	
Balance – March 31, 2021	39,700,000	0.13
	<hr/>	
Number of options currently exercisable	39,700,000	0.13

The following incentives stock options were outstanding and exercisable as at March 31, 2021:

<b>Expiry Date</b>	<b>Exercise Price \$</b>	<b>Number Outstanding</b>
March 20, 2022	0.10	2,900,000
March 10, 2025	0.10	3,550,000
April, 24, 2025	0.10	480,000
March 2, 2026	0.05	7,500,000
May 19, 2026	0.08	2,870,000
November 2, 2026	0.07	1,900,000
May 29, 2027	0.05	1,100,000
July 18, 2027	0.05	1,200,000
February 5, 2028	0.05	600,000
January 18, 2029	0.05	2,300,000
August 20, 2029	0.08	2,900,000
September 5, 2029	0.09	2,800,000
May 24, 2030	0.07	900,000



# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

August 27, 2030	0.34	2,400,000
March 4, 2031	0.32	<u>6,300,000</u>
		<u>39,700,000</u>
Weighted average remaining contractual life (years)		<u>6.52</u>

During the period ended March 31, 2021, the Company:

- i) Granted 6,300,000 options to directors and officers and consultants at \$0.32 per share expiring on March 4, 2031. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.32. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$1,958,867 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 156% volatility, a risk free interest rate of 1.55%, and a term of 10 years.

During the year ended December 31, 2020, the Company:

- i) Granted 900,000 options to directors and officers at \$0.065 per share expiring on May 24, 2030. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.065. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$54,596 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 156% volatility, a risk free interest rate of 0.40%, and a term of 2 years.

- ii) Granted 2,400,000 options to directors and officers at \$0.335 per share expiring on August 27, 2030. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.335. All options vested on the grant date.

The fair value of the common share purchase options was determined to be \$853,297 in total using the Black-Scholes Option Pricing Model, assuming a 0% dividend yield, 157% volatility, a risk free interest rate of 0.50%, and a term of 10 years.

- d) Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price \$
Balance – December 31, 2019	<u>100,513,055</u>	0.09
Warrants exercised	(50,373,166)	0.09
Warrants expired	(9,200,000)	0.10

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

Balance – December 31, 2020	40,939,889	0.08
Warrants exercised	(2,083,222)	0.07
Balance – March 31, 2021	38,856,667	0.09

The following warrants to acquire common shares were outstanding at March 31, 2021:

Expiry Date	Exercise Price \$	Number Outstanding
July 31, 2021	0.06	3,690,000
August 8, 2021	0.065	20,000,000
September 6, 2021	0.12	15,166,667
		<u>38,856,667</u>
Weighted average remaining contractual life (years)		<u>0.39</u>

During the period ended March 31, 2021, the Company no new warrants were issued.

During the year ended December 31, 2020, the Company:

- i) Extended the exercise period of a total of 12,500,000 outstanding share purchase warrants by six months. The extended periods are reflected in the above table and no other terms of the warrants were changed.
- ii) Extended the exercise period of a total of 7,000,000 outstanding share purchase warrants by approximately five months. The extended periods are reflected in the above table and no other terms of the warrants were changed.

No new warrants were granted during the year ended December 31, 2020.

### Reserves

The share-based payment reserve includes stock-based compensation expense related to fair value of stock options granted and also the fair value of warrants issued for services.

The warrant reserve includes the relative fair value of attachable warrants issued as a part of units in conjunction with private placements of common shares. The gross proceeds of private placements is allocated between share capital and the warrant reserve using the relative fair value method which allocates a pro-rata amount based on the fair value of the common shares and the warrants issued.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

March 31, 2021 and 2020

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(expressed in Canadian dollars)

### 12 Supplemental disclosures with respect to cash flows

Supplementary disclosure of non-cash investing and financing activities during the periods ended March 31:

	<b>2021</b>	<b>2020</b>
	\$	\$
Shares issued for exploration and evaluation assets	-	210,000
	-	210,000

### 13 Related party transactions

Included in accounts payable and accrued liabilities is \$83,750 (2020 – \$38,375) due to companies controlled by officers of the Company (note 10). Included in prepaid expenses is \$100,000 paid to a company controlled by an officer of the Company. These amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

During the period ended March 31, 2021, the Company incurred the following related party transactions:

- a) Incurred management fees in the amount of \$160,000 (2020– \$60,000) to a company controlled by the Company’s Chief Executive Officer.
- b) Incurred management fees in the amount of \$115,500 (2020– \$40,500) to a company controlled by the Company’s Chief Financial Officer.

For the period ended March 31, 2021, the total remuneration of key management personnel was \$275,500 (2020 - \$100,500) of management fees and \$1,371,207 (2020 - \$Nil) of stock-based compensation.

### 14 Financial Instruments

#### Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

As at March 31, 2021, the Company’s financial instruments are comprised of cash, marketable securities, reclamation bonds and accounts payable. The carrying value of cash, accounts payable and reclamation bonds approximate their fair values due to the relatively short periods to maturity of these financial instruments.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

### **Risk management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, receivables and reclamation bonds.

The Company's cash is held through a Canadian chartered bank which is high-credit quality financial institution. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada which are all current. The Company believes credit risk to be insignificant.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash balance of \$1,974,480 and short-term receivables of \$67,650 to settle current liabilities of \$207,416. The Company forecasts its cash needs on a regular basis and seeks additional financing based on those forecasts. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. Since inception, the Company has financed its cash requirements primarily through issuance of common shares. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See note 1 for further discussion on going concern and its impact on liquidity. The Company believes liquidity risk to be moderate.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

##### a) Interest rate risk

The Company's current policy is to hold deposits in highly rated banking institutions. Interest on short and long-term debt arrangements are fixed and are specifically disclosed. Interest earned is negligible and therefore interest rate risk is low.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

b) Foreign currency rate risk

The Company is domiciled in Canada and its capital is raised in Canadian dollars and does not conduct regular business in any foreign country. Therefore, foreign currency rate risk is considered low.

### 15 Capital management

The Company's working capital as at March 31, 2021 was \$1,898,684 (2020 – \$8,514,360). The Company's capital management objectives, policies and processes have not been changed over the periods presented. The Company is not subject to any externally imposed capital requirements.

The Company manages its cash and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities or further discussed in note 1 going concern. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

### 16 Segmented information

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

### 17 Commitments

#### Amended NSR Agreement

On April 13, 2016, the Company issued 15,000,000 common shares at \$0.06 per share under an amended agreement with arms length third parties that holds a NSR related to the Company's interest in the Treaty Creek property located in NW British Columbia (note 9). The amended agreement reduces the prior \$6 million payment obligation which was potentially triggered if the Company reduced its 51% interest in the property, or granted access for development and tunnel construction.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

Additional terms of the amended agreement include:

- a) The NSR holders will hold a 2% NSR on certain Treaty Creek property mineral tenures (“Group I”) and a 1% NSR on the remaining Treaty Creek mineral tenures (“Group II”). The NSR interests apply only to the Company’s interest in the Treaty Creek property. Within 30 days of a Treaty Creek property feasibility study being completed, the NSR holders will be paid an aggregate sum of \$1,500,000 in order for the Company to collectively buy out 0.75% of the Group I NSR and 0.25% of the Group II NSR. At any time the Company may buy out a further 0.75% of the Group I and 0.25% of the Group II NSR for the aggregate sum of \$1,500,000. The NSR holders will retain a 0.5% NSR on the Group I and Group II mineral tenures.
- b) The NSR holders were entitled to 25% of the purchase price the Company received in 2016 from the Company’s sale of a 31% interest in the Treaty Creek property to an arm’s-length purchaser. Consequently, the Company transferred to the NSR Holders 125,000 of the 500,000 purchaser shares received by the Company from such sale, thereby fully fulfilling this obligation under the amended agreement (note 9).
- c) The Company will pay the NSR holders 25% of any consideration the Company may receive from any non-governmental party for access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose, or fees for the use of the Company’s own infrastructure facilities.
- d) The Company will pay the NSR holders 25% of any compensation proceeds the Company may receive from any governmental or quasi-governmental agency for the loss of any rights resulting from the expropriation of access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose.

### Mineral Property Acquisitions

During the year ended December 31, 2016, the Company entered into four option agreements to acquire a 100% interest in the Ample Goldmax Property, the Glitter King Property and the Silverside Property. The Company satisfied some of the obligations under the agreement, however, others remained outstanding and were in default. The original agreement was replaced under by a new agreement executed on September 22, 2020. The terms of each of the current agreements are as follows:

#### Ample Goldmax Property

\$2,500 cash payment as an agreement extension fee (in default), a \$15,000 cash payment (in default) and issuance of 550,000 common shares within 10 business days of executing the agreement (shares issued with a fair value of \$159,500) (notes 9 and );

*Year 1* - \$30,000 cash payment and \$100,000 in exploration work related to the Property prior to September 22, 2021;

*Year 2* - \$100,000 in exploration work related to the Property prior to September 22, 2022;

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

The optionor will also retain a 25% bulk sample royalty on any net profits the Company receives from the extraction of a bulk sample as well as a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

### **Glitter King Property**

\$2,500 cash payment as an agreement extension fee (in default), a \$20,000 cash payment (in default) and issuance of 350,000 common shares within 10 business days of executing the agreement (shares issued with a fair value of \$101,500) (notes 9 and 11);

*Year 1* - \$30,000 cash payment and \$45,000 in exploration work related to the Property prior to September 22, 2021;

*Year 2* - \$35,000 in exploration work related to the Property prior to September 22, 2022;

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

### **Silverside Property**

\$2,500 cash payment as an agreement extension fee (in default), a \$20,000 cash payment (in default) and issuance of 250,000 common shares within 10 business days of executing the agreement (shares issued with a fair value of \$72,500) (notes 9 and 11);

*Year 1* - \$30,000 cash payment and \$35,000 in exploration work related to the Property prior to September 22, 2021;

*Year 2* - \$50,000 in exploration work related to the Property prior to September 22, 2022;

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

All cash payments, share payments and work commitment amounts in each of the agreements may be accelerated at the Company's discretion. The agreements are now all in good standing with the optionor.

Outstanding commitments related to the Ample Goldmax, Glitter King and Silverside exploration and evaluation assets have been assumed by Stinger Resources Inc. as part of the plan of arrangement agreement.

# American Creek Resources Ltd.

## Notes to Interim Financial Statements

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(expressed in Canadian dollars)

### 18 Plan of arrangement

On February 25, 2021 a plan of arrangement spin out transaction was completed by the Company.

The amended and restated arrangement agreement dated October 2, 2020, entered into between the Company and Stinger (a wholly owned subsidiary of the Company), was approved by the shareholders of the Company on December 3, 2020, by a Final Order granted by the Supreme Court of British Columbia on December 7, 2020, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange.

Pursuant to the Arrangement Agreement and on the Effective Date:

- a) The Company transferred the following assets to Stinger in consideration for 45,000,389 common shares of Stinger (the "Stinger Shares"):
  - i) the three (3) mineral properties commonly referred to as the Dunwell Property, the Gold Hill Property and the D1 McBride Property;
  - ii) optioned interests in the 3 mineral properties commonly referred to as the Silver Side Property, the Ample Goldmax Property and the Glitter King Property;
  - iii) 1,400,499 common shares of Tudor Gold Corp;
  - iv) \$2,500,000 cash;
  - v) the right to receive additional cash in the event previously issued share purchase warrants of the Company are exercised after the Effective Date;
  - vi) the real property located at #92 - 2nd Avenue West, Cardston, Alberta, and all leasehold improvements related thereto and office furniture, computers and other equipment therein; and
  - vii) vehicles, an assortment of exploration equipment.
- b) the existing common shares of the Company were re-designated as Class A Shares (the "AMK Class A Shares") and the Company created a new class of common shares known as the "New AMK Common Shares";
- c) each AMK Class A Share was exchanged for one New AMK Common Share and 0.11324 of one Stinger Share;
- d) the AMK Class A Shares were cancelled;
- e) all outstanding of the Company warrants were adjusted to allow holders to acquire, upon exercise, one New AMK Common Share and 0.11324 of one Stinger Share, such that an aggregate of 4,636,030 Stinger Shares may be issued if all outstanding warrants are exercised;



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- f) all holders of the outstanding options of the Company received 0.11324 of one Stinger option with whole option entitling the holder therefore to purchase one Stinger Share, such that an aggregate of 3,782,213 Stinger Shares may be issued if all such options are exercised;
- g) Stinger became a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario; and
- h) the Company retained its interests in the Treaty Creek Property and the Austruck-Bonanza Property and approximately \$2 million cash for working capital, and remains listed on the TSXV and continues to trade under the trading symbol "AMK" as a junior exploration company.

Following the plan of arrangement transaction, there were amounts outstanding that were paid and received by the Company on behalf of the Stinger. The net amount resulted in a short-term loan payable amount of \$53,783. This amount has no set payment terms and bears no interest.