McLaren Resources

Condensed Interim Financial Statements

For the three month period ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

INDEX

Notice to Reader

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 the financial statements have not been reviewed by an auditor.

The accompanying interim financial statements of 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.

Consensed Interim Statements of Financial Position
As at,

Expressed in Canadian Dollars	Note	December 31, 2020	September 30, 2020
Assets		**(Unaudited)**	(Audited)
Current assets			
Cash	4	**$ 662,997**	$ 463,887
Marketable securities	5	**6,476**	6,230
Amounts receivable	6	**11,416**	11,043
Prepaid expenses and deposits	7	**11,305**	14,164
Total assets		**$ 692,194**	$ 495,324
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9, 11	**$ 30,953**	$ 38,975
Flow though premium liability		**-**	7,500
		30,953	46,475
Shareholders' equity			
Share capital	12(b)	**8,458,529**	8,214,557
Warrant reserve	12(c)	**179,617**	128,329
Stock option reserve	12(d)	**180,789**	180,789
Deficit		**(8,157,694)**	(8,074,826)
		661,241	448,849
Total liabilities and shareholders' equity		**$ 692,194**	$ 495,324

Nature of Operations and Going Concern (Note 1)
Commitments (Note 10)
Subsequent Events (Note 16)

On behalf of the Board of Directors on February 25, 2021

"John Heslop" *(signed)*
Director

"Paul Crath" *(signed)*
Director

The accompanying notes form an integral part of these financial statements

Consensed Interim Statements of Loss and Comprehensive Loss
For the three month period ended December 31,

(Expressed in Canadian Dollars)	Note		2020		2019
Management fees	11	$	**33,000**	$	18,000
Consulting fees			**14,500**		5,500
Office, general and administrative			**6,272**		3,673
Professional fees			**7,207**		3,210
Investor relations			**1,434**		1,611
Insurance			**2,619**		2,892
Flow-through Part XII.6 tax			**-**		1,508
Total expenses			**65,032**		36,394
Loss before undernoted			**(65,032)**		(36,394)
Exploration and evaluation expenditures	8		**(25,581)**		(64,911)
Flow-through premium recovery			**7,500**		38,117
Unrealized Gain on marketable securities			**245**		1,670
Net loss and comprehensive loss for period		$	**(82,868)**	$	(61,518)

Loss per share				
Weighted average number of shares - basic and diluted		**63,729,84**		54,474,40
Net loss per share - basic and fully diluted	$	**(0.01)**	$	(0.01)

The accompanying notes form an integral part of these financial statements

McLaren Resources

Consensed Interim Statements of Changes in Shareholders' Equity

		Share Capital		Reserves			
	Note	Number of Shares	Amount $	Warrants $	Stock Options $	Deficit $	Total $
Balance at September 30, 2019		**54,975,511**	**7,305,539**	**319,947**	**187,341**	**(7,750,323)**	**62,504**
Flow-through private placement - common shares	12(b)(i)	600,000	30,000	-	-	-	30,000
Share issue costs	12(b)(i)	-	(1,077)	1,077	-	-	-
Issuance of warrants	12(b)(i)	-	(2,100)	-	-	-	(2,100)
Issuance of broker warrants	12(b)(i)	-	(151)	151	-	-	-
Flow-through share price premium	12(b)(i)	-	(15,000)	-	-	-	(15,000)
Net loss for the period		-	-	-	-	(61,518)	(61,518)
Balance at December 31, 2019		**55,575,511**	**7,317,211**	**321,175**	**187,341**	**(7,811,841)**	**13,886**
Balance at September 30, 2020		**70,215,511**	**8,214,557**	**128,329**	**180,789**	**(8,074,826)**	**448,849**
Issuance of common shares for property	12(b)(i)	300,000	15,000	-	-	-	15,000
Flow-through private placement - common shares	12(b)(ii)	3,750,000	300,000	-	-	-	300,000
Share issue costs	12(b)(ii)	-	(19,740)	-	-	-	(19,740)
Issuance of warrants	12(b)(ii)	-	(51,288)	51,288	-	-	-
Net loss for the period		-	-	-	-	(82,868)	(82,868)
Balance at December 31, 2020		**74,265,511**	**8,458,529**	**179,617**	**180,789**	**(8,157,694)**	**661,241**

The accompanying notes form an integral part of these financial statements

McLaren Resources

Consensed Interim Statement of Cash Flows
For the three month period ended December 31,

(Expressed in Canadian Dollars)		**2020**		2019
Net loss for the period:	**$**	**(82,868)**	**$**	**(61,518)**
Items not affecting cash				
Shares issued for Property		**15,000**		-
Loss (Gain) on value of marketable securities		**(246)**		(1,670)
Flow-through share premium		**(7,500)**		(38,117)
		(75,614)		(101,305)
Changes in non-cash working capital activities:				
Amounts receivable		**(373)**		(5,283)
Prepaid expenses		**2,859**		2,248
Accounts payable and accrued liabilities		**(8,022)**		25,080
Net changes in non-cash working capital balances		**(5,536)**		22,045
Net cash flows used in operating activities:		**(81,150)**		**(79,260)**
Cash flows from financing activities:				
Proceeds from Flow-through private placements		**300,000**		-
Proceeds from Common share private placement		**-**		30,000
Share issuance costs		**(19,740)**		(2,100)
Net Cash flows from financing activities:		**280,260**		27,900
Net change in cash during the period		**199,110**		(51,360)
Cash, beginning or period		**463,887**		89,305
Cash, end of period	**$**	**662,997**	**$**	**37,945**
Cash paid during the period:				
Interest paid and received	**$**	**-**	$	-
Income taxes	**$**	**-**	$	-

The accompanying notes form an integral part of these financial statements

1. NATURE OF BUSINESS AND GOING CONCERN

McLaren Resources Inc. (the “Company” or "McLaren") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company is listed on the Canadian Stock Exchange ("CSE"), having the symbol MCL. The Company is currently engaged in the acquisition, exploration and development of mineral properties. The address of the Company’s corporate office and principal place of business is 44 Victoria Street, Suite 1616, Toronto, Ontario M5C 1Y2.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. As at December 31, 2020, the Company has been incurring losses and has an accumulated deficit of $8,157,694 (September 30, 2020 - $8,074,826). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. Management intends to obtain further financing through the issuance of flow through shares and private placements. While management has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent on future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements (the “financial statements”) have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee.
The preparation of these unaudited condensed interim financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management’s opinion, all adjustments considered necessary for a fair presentation have been included in these unaudited condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgements made by management applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended September 30, 2020. For a description of the Company’s critical accounting estimates and assumptions, please refer to the Company’s audited financial statements and related notes for the year ended September 30, 2020.

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2. BASIS OF PRESENTATION (*continued*)

The financial statements were authorized for issue by the Board of Directors on February 25, 2021. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is expressed in Canadian dollars.

(c) Use of estimates and judgments

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the following items:

Impairment in mineral properties and related deferred costs - Management uses significant judgement in determining whether there is any indication that mineral properties and related deferred costs may be impaired.

Measurement of impairment in available-for-sale financial assets - The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statements of operations. The impairment loss recognized in the statements of operations is a reclassification of unrealized losses resulting from the decline in fair value previously recorded in other comprehensive loss.

Significant or prolonged decline is defined by management as a decline in fair value of at least 50% below original cost or a decline in fair value below original cost for at least 24 months.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The policies applied in these financial statements are based upon IFRS issued and outstanding as of December 31, 2020.

(a) Exploration and evaluation expenditures

Exploration expenditures typically include costs of prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at the exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration. Evaluation expenditures include the costs of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource of a proven probable reserve, (ii) determining the optimal methods of extraction and metallurgical and treatment processes, (iii) studies related to surveying, transportation and infrastructure requirements, (iv) permitting activities, and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(b) Rehabilitation and restoration

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. Provision for the rehabilitation and restoration is recorded when an obligation is incurred with a corresponding increase in related asset. At each date of the statement of financial position, the provision for rehabilitation and restoration is re-measured in line with changes in discount rates, timing and other costs to be incurred. The provision amount is periodically reviewed and updated based on the facts and circumstances available. As at December 31, 2020 the Company did not incur any rehabilitation and restoration obligation.

(c) Financial instruments

On January 1, 2018, the Company adopted IFRS 9, Financial Instruments which addresses classification, measurement and recognition of financial assets and financial liabilities and replaces IAS 39, Financial Instruments: Recognition and Measurement Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Upon initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset of financial liability, except for those financial assets and liabilities classified as fair value through profit or loss, which initially are measured at fair value.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the assets was acquired. The Company's accounting policy for each is as follows:

i) Fair value through profit or loss ("FVPL") - This category comprises financial assets designated upon initial recognition as FVPL and is acquired or incurred principally for the purpose of selling or repurchasing in the near term. On initial recognition it is part of a portfolio of identifiable financial instruments managed together for which there is evidence of a recent pattern of short-term profit taking, or a derivative (excluding a derivative used for hedging). FVPL are carried in the statements of financial position at fair value with changes in value recognized in profit or loss for the period as they arise.

ii) Loans and accounts receivable - They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's accounts receivable are of short term nature and approximate their carrying values and are included in current assets. These assets are recognized initially at the amount expected to be received, less, when material, a discount to reduce loans and receivables to fair value. Subsequently, they are measured at amortized cost using the effective interest method less a provision of impairment. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. Interest income or expense is recognized in profit or loss.

iii) Held-to-maturity investments - Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the investment is impaired, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the entity's original effective interest rate. The impairment losses are recognized in the statement of loss.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

iv) Investments in equity instruments - Non-derivative assets designated as investments in equity instruments that are not classified as loans and receivables, held to maturity investments or FVPL. Investments in equity instruments are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an investment in equity instrument constitutes objective evidence of impairment other than temporary, the amount of the loss is removed from the other comprehensive income and reclassified directly to retained earnings. When an investment in equity instruments at a fair value through other comprehensive income is sold, the realized gain or loss is transferred directly from the fair value through other comprehensive income reserve to deficit. All financial assets except for those recorded at fair value through profit or loss and at fair value through other comprehensive income are subject to review for impairment. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was assumed. The Company's accounting policy for each category is as follows:

a) **Fair value through profit or loss** - This category comprises financial liabilities designated upon initial recognition as FVPL. FVPL are carried in the statement of financial position at fair value recognized in the statement of income (loss) for the period.

b) **Financial liabilities measured at amortized cost** - Financial inabilities measured at amortized cost comprise accounts payables and accrued liabilities. Accounts payable and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

The Company's accounts payables and accrued liabilities and other current liabilities, due to their short term nature and approximation to their carrying values, are classified liabilities. The Company's financial instruments consist of the following:

Instrument	Classification and Measurement
Cash	FVTPL
Marketable securities	Fair value through other comprehensive income
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

Fair value hierarchy classification of financial instruments

IFRS 7 establishes a fair value hierarchy that reflects the significance of inputs in measuring 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 (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the assets or liability that are not based on observable market data (unobservable inputs)

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level or input that is significant to the measurement of fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Company's cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short term nature. Decommissioning liabilities have been recorded at its present value.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(d) Cash

Cash consists of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. Cash consists of cash on deposit with a major Canadian bank. Cash is classified as Amortized Cost and are measured at Amortized Cost.

(e) Marketable securities

Marketable securities include publicly traded equity shares and warrants which have been classified as fair value through profit and loss under the fair value option ("FVO") and are carried at fair value based on quoted market prices. The increase or decrease in fair value is reported as income or loss.

(f) Prepaid expense

Prepaid expense represents advance payments made to vendors for expenses applicable to a future period.

(g) Decommissioning obligations

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at December 31, 2020, the Company has determined that it does not have material decommissioning obligations.

(h) Share Capital

Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue. The company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned nil value and included in capital stock with the commons shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as stock-based compensation.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) Stock-based compensation

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in stock option reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions, other than as consideration for mineral property assets, are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of the instruments are measured, as determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration for mineral property assets is based upon the trading price on the date of the agreement to issue shares as determined by the Board of Directors.

(j) Flow-through shares

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the value of common shares on the date of the transaction and is recorded as a deferred liability. The Company recognizes a pro-rata amount of the premium through the statement of loss and comprehensive loss as other income with a corresponding reduction to the deferred tax liability as the flow-through expenditures are incurred and renounced. When the flow-through expenditures are incurred and renounced, the Company records the tax effect as a change to profit or loss and an increase to deferred income tax liabilities. To the extent that the Company has deferred income tax assets that were not recognized in previous periods, a deferred income tax recovery is recorded to offset the liability resulting from the renunciation.

(k) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized in equity or in other comprehensive loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an assets or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the periods ended December 31, 2020 and September 30, 2020, basic loss per share is equal to dilutive loss per share for the periods presented.

4. CASH

The balance at December 31, 2020 consists of cash on deposit with a major Canadian bank in general interest-bearing accounts totaling $662,997 (September 30, 2020 - $463,887).

(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

Held for trading	December 31, 2020	September 30, 2020
Shoal Point Energy Ltd. (8,000 common shares @$0.75 per share)	**600**	720
Osisko Mining Inc. (1,588 common shares @$3.70 per share)	**5,876**	5,510
	6,476	6,230

The shares have been classified as fair value through profit and loss under the fair value option ("FVO").

6. AMOUNTS RECEIVABLE

The Company's trade and other receivables includes harmonized services tax ("HST") due from the Canadian government and other receivables. These are broken down as follows:

	December 31, 2020	September 30, 2020
HST receivable	**11,416**	6,043
Subscription receivable	**-**	5,000
	11,416	11,043

At December 31, 2020, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. Subsequent to year end, both the HST and the subscription receivable was received. The credit risk on the receivables has been further discussed in Note (14).

The Company holds no collateral for any receivable amounts outstanding as at December 31, 2020.

7. PREPAID EXPENSE AND DEPOSITS

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. Advance payments and deposits include amounts paid in advance for Directors' and Officers' liability insurance, Commercial Insurance and consulting fees.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION EXPENDITURES

		December 31, 2020		Cumulative to date
Blue Quartz				
Exploration and evaluation expenditures		-	$	213,603
BQ-Extension				
Acquisition	$	15,000		83,000
Property tax 50% (recovery)		-		7,127
TimGinn				
Acquisition		-		5,000
Exploration and evaluation expenditures		-		1,326,755
Property tax		-		4,727
Augdome				
Exploration and evaluation expenditures		10,500		262,994
Property tax		81		7,509
Other		-		-
	$	25,581	$	1,910,715

Northern Ontario, Canada

Blue Quartz

On October 13, 2020 the Company acquired the remaining 50% interest in the Blue Quartz property, to hold a 100% interest, in the past producing Blue Quartz Gold Mine property which is located in the prolific Timmins Gold District of Northeastern Ontario from its former joint venture partner Orla Mining Ltd. ("Orla"). Consideration for the acquisition was 300,000 treasury shares of McLaren which cannot be traded on the open market by Orla prior to October 15, 2021.

On December 6, 2010, the Company and Orla Mining Ltd. ("Orla"), entered into an Option Agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property, with the Company having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid $10,000 cash and issued 100,000 common shares with a deemed price of $0.14 per share and is required to spend $200,000 on exploration and development.

On July 26, 2011, the Company purchased additional property "BQ-Extension" from 2285944 Ontario Limited consisting of 8 unpatented claims totaling 240 hectares or approximately 600 acres for a purchase price of $68,000.

During the calendar year ended December 31, 2011, the Company completed the $200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz property holding 25 patented mining claims. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz property, the Company has the right to purchase 50% (.05%) of the NSR from the predecessor companies for $250,000.

(Expressed in Canadian dollars)

Northern Ontario, Canada (continued)

Augdome

The Company controls a 100% interest in the 414-hectare Augdome Gold Property located in Tisdale and Whitney Townships in the prolific Timmins Gold District, Northeastern Ontario. The Property is located immediately east of the Dome Mine operated by Newmont.

On May 14, 2020, McLaren entered into an option agreement with Newmont Corporation ("Newmont"). McLaren has granted Newmont an option to acquire a 100% interest in McLaren's 408 ha Augdome gold property, subject to McLaren retaining a 1.0% net smelter returns interest ("NSR") on any future production from the Augdome property. The option can be exercised by Newmont at any time prior to May 5, 2024 upon the payment by Newmont of CDN $500,000 to McLaren, such amount to be increased on a yearly basis according to the Canadian Consumer Price Index commencing on January 1, 2021 until the option is exercised.

McCool and Kerrs

On May 14th 2020, McLaren acquired 100% interest in the 275 hectare McCool gold property and 100% interest in the 775 hectare Kerrs gold property from Newmount subject to Newmont retaining a 1.0 % NSR on any future production from either property.

The 275 ha McCool gold property, held under one Ontario Mining Lease consisting of surface and mining rights, is located in McCool Township and the 775 ha Kerrs gold property, held under five Ontario Mining Leases consisting of surface and mining rights, is located in Kerrs Township. These properties are located approximately 85 kilometres ("km") east of the City of Timmins and are situated along the Destor-Porcupine Deformation Zone which is host to many of the gold deposits in the Timmins Gold District. The McCool property is located between the Fenn-Gib and Jonpol gold deposits approximately 18 km east of the producing Black Fox Gold Mine operated by McEwen Mining Inc. and the McCool property is located approximately 22 km east-southeast of McLaren's Blue Quartz gold property, which hosts the former Blue Quartz Gold Mine. Both the McCool and Kerrs properties have been the target of various exploration programs by other operators over the years. McLaren intends to provide more technical information on these properties and its exploration plans in the near future to investors once its technical team has had a chance to more thoroughly review all of the available exploration data provided by Newmont and government archives.

TimGinn

On December 31, McLaren terminated the TimGinn Exploration Limited Option Agreement on the TimGinn gold property.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the periods. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms.

	December 31, 2020	September 30, 2020
Trade and other payables	**27,453**	25,475
Accrued audit fees	**3,500**	13,500
	$ 30,953	$ 38,975

(Expressed in Canadian dollars)

10. COMMITMENTS AND CONTINGENCIES

As at December 31, 2020, the Company has a commitment to spend $560,000 from amounts raised by flow-through financing on eligible Canadian exploration expenditures, by December 31, 2021.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company has indemnified current and previous flow-through subscribers for any tax and other costs payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.Company is committed to spend $560,000 on CEE on or before December 31, 2021.

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

The Company entered into the following transactions with related parties for the period ended:

		December 31, 2020		December 31, 2019
Management and consulting fees charged by officers and directors	**$**	**33,000**	$	18,000
Paid to a law firm which an officer is a partner		**5,178**		3,350
Other remuneration to officers and directors		**7,500**		7,500
Amount outstanding at end of period		**-**		-
Director fees	**$**	**-**	$	-
Amounts outstanding at end of period	**$**	**2,980**	$	-

(Expressed in Canadian dollars)

12. SHARE CAPITAL

(a) Authorized

As at December 31, 2020, the Company's authorized number of common shares was unlimited and without par value.

(b) Issued and outstanding

	Note	Shares		Amount
Balance at September 30, 2020		**70,215,511**	**$**	**8,214,557**
Shares issued for Property	12(b)(i)	300,000		15,000
Private placement Flow-through commons shares	12(b)(ii)	3,750,000		300,000
Share issue costs	12(b)(ii)	-		(19,740)
Issuance of warrants	12(b)(ii)	-		(51,288)
Balance at December 31, 2020		**74,265,511**	**$**	**8,458,529**

(i) On October 13, 2020 the Company issued 300,000 common share units at a deemed price of $0.05 per share to acquire the remaining 50% interest in the Blue Quartz property, to hold a 100% interest, in the past producing Blue Quartz Gold Mine property located in the prolific Timmins Gold District of Northeastern Ontario from its former joint venture partner Orla Mining Ltd. ("Orla").

(ii) On December 31, 2020 the Company issued 3,750,000 Flow-through common share units at $0.08 per share for gross proceeds of $300,000. Each unit consists of one Flow-through common share and one half (1/2) common share purchase warrant, exercisable at $0.125 for a period of 18 months. The warrants were valued at $51,288 using the Black Scholes valuation model. Finder fees of $19,740 was paid in cash. As the shares were issued at the current market price, no Flow-through premium was calculated on the issuance.

(c) Warrants

The following table shows the continuity of warrant reserve for the period presented:

		Warrants
Balance at September 29, 2020	**$**	**128,329**
Issuance of warrants with private placement		51,288
Balance at December 31, 2020	**$**	**179,617**

The following table reflects the warrants outstanding as at December 31, 2020:

Date issued	Number of Warrants		Fair Value of Warrants	Exercise Price	Expiry Dare
December 31, 2019	300,000		1,077	0.10	June 30, 2021
December 31, 2019	42,000		151	0.10	June 30, 2021
July 13, 2020	6,540,000		90,584	0.10	January 13, 2022
July 13, 2020	2,600,000		36,517	0.10	January 13, 2022
December 31,, 2020	1,875,000		51,288	0.125	January 13, 2022
Totals	**11,357,000**	**$**	**179,617**	**$0.10**	

(Expressed in Canadian dollars)

12. SHARE CAPITAL (*continued*)

The Company follows the fair value method of accounting for warrants using the Black Scholes option pricing model. The fair values of warrants issued were calculated based on the following assumptions:

	Dec 31, 2019	July 08 2020	Dec 31 2020
Risk free interest rate	1.69%	0.29%	0.20%
Expected volatility	100%	100%	100%
Expected life (in years)	1.5	1.5	1.5
Expected dividend rate	-	-	-
Exercise price	$0.10	$0.10	$0.125

(d) Stock Options

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, where applicable, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

As at December 31, 2020 common share options held by directors, officers and consultants are as follows:

Grant Date	Number of Options Outstanding	Exercise Price	Number of Options Exercisable	Black Scholes Fair Value	Weighted Average Remaining Contractual Life (Years)	Expiry Date
February 26, 2018	225,000	$0.15	225,000	20,620	0.41	February 26, 2021
February 22, 2017	1,225,000	$0.125	1,225,000	108,193	1.40	February 22, 2022
May 16, 2017	300,000	$0.125	300,000	16,313	1.62	May 16, 2022
February 26, 2018	125,000	$0.15	125,000	5,616	2.41	February 26, 2023
February 10, 2020	200,000	$0.10	200,000	4,825	2.36	February 10, 2023
June 16 , 2020	200,000	$0.10	200,000	4,755	2.71	June 16 , 2023
July 13, 2020	1,150,000	$0.10	1,150,000	20,467	1.78	July 13, 2022
Totals	**3,425,000**	**$0.116**	**3,425,000**	**180,789**	**1.81**	

(Expressed in Canadian dollars)

12. SHARE CAPITAL (*continued*)

The following table outlines the stock option transactions during the period:

	Number of Stock Options	Weighted Average Exercise Price
Balance at September 30, 2020	**3,425,000**	**$ 0.116**
Cancelled	-	-
Granted	-	-
Balance at December 31, 2020	**3,425,000**	**$ 0.116**

In calculating the fair value of the options, the following underlying assumptions were used in the Black-Scholes calculation:

	Mar 31, 2018	Aug 21, 2019	Dec 23, 2019	Feb 10, 2020	Jun 16, 2020	July 13, 2020
Share price	$0.03	$0.03	$0.03	$0.05	$0.05	$0.05
Strike price	$0.05	$0.05	$0.05	$0.10	$0.10	$0.10
Risk free interest rate	1.99%	1.27%	1.65%	1.39%	0.26%	0.28%
Expected volatility	100 %	100 %	100 %	100 %	100 %	100 %
Expected dividend rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected forfeiture rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected life (in years)	5	5	5	5	5	5

13. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' deficit. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over all strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirements as at December 31, 2020

14. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up to date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on going basis.

Commodity risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

Fair value

The fair value of certain of the Company's financial instruments. including cash, bank overdraft, accounts payable and accrued liabilities, are estimated by management to approximate their carrying values due to their short term nature.

15. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti dilutive and hence, the diluted loss per share equals the basic loss per share.

16. SUBSEQUENT EVENTS

There were no subsequent events to report.