



Condensed Consolidated Financial Statements
For the Period Ended March 31, 2021 and 2020

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, “Continuous Disclosure Obligations”, 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 Corporation’s external auditors have not performed a review of these financial statements.

VULCAN MINERALS INC.

March 31, 2021 and 2020

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VULCAN MINERALS INC.
Condensed Consolidated Balance Sheets
(Unaudited)
As at

(in Canadian dollars)	March 31, 2021	December 31, 2020
	\$	\$
Assets		
Current assets		
Cash	5,367,109	1,190,715
Accounts receivable	144,858	87,960
Prepaid expenses	7,854	13,672
	5,519,821	1,292,347
Investments (Note 4)	445,904	5,461
Exploration and evaluation assets (Note 5)	1,733,640	1,674,868
Capital assets	21,764	14,145
Total Assets	7,721,129	2,986,821
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	239,282	148,080
	239,282	148,080
Deferred Option Payments (Note 6)	100,000	-
Loan (Note 7)	27,388	27,150
Asset retirement obligation (Note 8)	133,722	129,430
	500,392	304,660
Equity (Note 9)		
Shareholders' equity	4,350,989	2,235,935
Non-controlling interest	2,869,748	446,226
	7,220,737	2,682,161
Total Liabilities and Equity	7,721,129	2,986,821

Contingencies (Note 13)
Subsequents event (Note 15)

Approved on Behalf of the Board of Directors

Patrick J. Laracy **Director**

Carson Noel **Director**

VULCAN MINERALS INC.
Condensed Consolidated Statements of Loss
(Unaudited)
Three Months Ended March 31

(in Canadian dollars)	2021	2020
		\$
Income (Expenses)		
Interest Income	1,363	-
Interest accretion on loan	(238)	-
Income(loss) from equity accounted investments	-	(15,742)
Flow through share tax expense	-	(2,332)
Bad debt recovery	-	10,500
General and administrative (Note 11)	(315,147)	(74,888)
Share-based compensation (Note 10)	(212,794)	(10,252)
Depreciation	(1,381)	(2,221)
Net loss	(528,197)	(94,935)
Net loss attributable to:		
Common shareholders	(397,157)	(82,010)
Non-controlling interest	(131,040)	(12,925)
	(528,197)	(94,935)
Net loss per share - basic and diluted	(0.005)	(0.002)
Weighted-average number of common shares outstanding - basic and diluted	81,379,731	68,366,464

Consolidated Statements of Comprehensive Loss
Years Ended December 31

(in Canadian dollars)	2021	2020
	\$	\$
Net loss	(528,197)	(94,935)
Other comprehensive loss:		
Items that may subsequently be reclassified to profit or loss		
Change in fair value on investments classified as FVOCI	260,442	590
	260,442	590
Comprehensive loss	(267,755)	(94,345)
Comprehensive loss attributable to:		
Common shareholders	(136,715)	(81,420)
Non-controlling interest	(131,040)	(12,925)
	(267,755)	(94,345)

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in Canadian dollars)

	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
	\$		\$	\$	\$	\$	\$	\$
	Notes 9 (a) and (b)	Notes 9 (d) and (e)	Notes 9 c		Note 15	Note 15	Note 15	
Balance, December 31, 2019	19,220,616	19,915	2,856,011	32,161	(20,619,969)	1,508,734	490,249	1,998,983
Net loss and comprehensive loss								
January 1, 2020 - March 31, 2020	-	-	-	(296)	(82,010)	(82,306)	(12,925)	(95,231)
Share-based compensation in parent	-	-	4,012	-	-	4,012	-	4,012
Share-based compensation in subsidiary	-	-	-	-	3,946	3,946	2,294	6,240
Balance March 31, 2020	19,220,616	19,915	2,860,023	31,865	(20,698,033)	1,434,386	479,618	1,914,004
Net loss and comprehensive loss								
April 1, 2020 - December 31, 2020	-	-	-	3,396	(270,453)	(267,057)	(55,628)	(322,685)
Issuance of shares and warrants pursuant to private placements	523,504	476,496	-	-	-	1,000,000	-	1,000,000
Expiration of warrants	-	(19,915)	19,915	-	-	-	-	-
Share issuance costs	(6,450)	-	-	-	-	(6,450)	-	(6,450)
Share-based compensation in parent	-	-	37,188	-	-	37,188	-	37,188
Share-based compensation in subsidiary	-	-	-	-	37,868	37,868	22,236	60,104
Balance December 31, 2020	19,737,670	476,496	2,917,126	35,261	(20,930,618)	2,235,935	446,226	2,682,161
Net loss and comprehensive loss								
January 1, 2021-March 31, 2021	-	-	-	440,442	(397,157)	43,285	(131,040)	(87,755)
Adjustment for change in ownership of subsidiary					(175,524)	(175,524)	175,524	(0)
Issuance of shares	40,000	-	-	-	-	40,000	-	40,000
Transfer to share capital on exercise of warrants	9,200	(9,200)	-	-	-	-	-	-
Share issuance costs	(3,128)	-	-	-	-	(3,128)	-	(3,128)
Issuance of shares and warrants by subsidiary	-	-	-	-	1,792,551	1,792,551	2,407,429	4,199,980
Sale of shares in subsidiary	-	-	-	-	288,445	288,445	71,555	360,000
Broker's warrants- subsidiary	-	-	-	-	75,653	75,653	101,604	177,257
Share issuance costs- subsidiary	-	-	-	-	(171,906)	(171,906)	(230,872)	(402,778)
Exercise of warrants- subsidiary	-	-	-	-	10,670	10,670	14,330	25,000
Exercise of options- subsidiary	-	-	-	-	4,268	4,268	5,732	10,000
Share-based compensation in parent	-	-	203,844	-	-	203,844	-	203,844
Share-based compensation in subsidiary	-	-	-	-	6,895	6,895	9,261	16,156
Balance, March 31, 2021	19,783,742	467,296	3,120,970	475,702	(19,496,722)	4,350,989	2,869,748	7,220,737

VULCAN MINERALS INC.
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31

(in Canadian dollars)	2021	2020
		\$
Operating Activities		
Net loss	(528,197)	(94,935)
Adjustment for non cash items :		
Income from Equity accounted investment	-	15,742
Interest accretion on loan	238	-
Share-based compensation	212,794	10,252
Depreciation	1,381	2,221
	(313,784)	(66,720)
Changes in non-cash working capital		
Accounts receivable	(56,898)	(9,963)
Prepaid expenses	5,810	4,073
Accounts payable and accrued liabilities	83,072	(55,760)
	(281,800)	(128,370)
Financing Activities		
Share issuance costs	(3,128)	-
Shares issued on exercise of warrants	40,000	-
Deferred option payments	100,000	-
Gain(loss) on sale of shares of subsidiary	360,000	-
Private Placement - subsidiary	4,199,980	-
Brokers warrants issued-subsiary	177,257	-
Share issuance costs - subsidiary	(402,778)	-
Shares & warrants issued- subsidiary	43,138	-
	4,514,469	-
Investing Activities		
Exploration and evaluation assets	(86,225)	(22,091)
Deposits refunded	28,950	-
Increase in exploration deposits	10,000	-
Purchase of Capital assets	(9,000)	-
Repayment from (advances to) related company	-	42,000
	(56,275)	19,909
Net change in cash for the period	4,176,394	(108,461)
Cash, beginning of period	1,190,715	322,672
Cash, end of period	5,367,109	214,211

See accompanying notes to the condensed consolidated financial statements

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)
March 31, 2021 and 2020

1. NATURE OF OPERATIONS

Vulcan Minerals Inc. is engaged in the evaluation, acquisition and exploration of minerals in Newfoundland and Labrador. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company is in the exploration stage on most of its projects except through its subsidiary Red Moon Resources Inc. which is in the pre-production phase for gypsum.

The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its registered address is 333 Duckworth Street, St. John's, NL A1C 1G9.

2. BASIS OF PRESENTATION

The Company prepares its condensed consolidated financial statements with Canadian generally accepted accounting principles ("GAAP") as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I ("CPA Canada Handbook") which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements. A summary of the Company's significant accounting policies under IFRS is presented in Note 4 to the year-end financial statements, December 31, 2020.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2021.

3. FUTURE ACCOUNTING STANDARDS

IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

VULCAN MINERALS INC.
Notes to the Condensed Consolidated Financial Statements
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4. INVESTMENTS

	31-Mar-21	31-Dec-20
Investments	\$ 445,904	\$ 5,461

Investments classified as fair value through other comprehensive income consist of:

Shares in a public company received as consideration for option payments on mineral claims with an initial value of \$700,000 (December 31, 2020 - \$nil). At March 31, 2021, the market value of the shares is \$440,000 (December 31, 2020 - \$nil).

Shares in a public company received as consideration for option payments on mineral claims with an initial value of \$91,512 (December 31, 2020 - \$91,512). At March 31, 2021, the market value of the shares is \$5,904 (December 31, 2020 - \$5,461).

5. EXPLORATION AND EVALUATION ASSETS

The Company has 52 mineral licences (December 31, 2020 - 45) which consist of 1,450 claims (December 31, 2020 - 1,298), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. A summary of the exploration and evaluation assets is as follows:

	Balance, Beginning of Year	Additions	Refunds	Balance, End of Year
	\$	\$	\$	\$
Mineral properties				
Property acquisition costs	136,625	10,001	(28,950)	117,676
Exploration costs	1,538,243	77,721	-	1,615,964
	1,674,868	87,722	(28,950)	1,733,640

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

	December 31, 2020			
	Balance, Beginning of Year	Additions	Incidental Revenue	Balance, End of Year
	\$	\$	\$	\$
Mineral properties				
Property acquisition costs	87,609	49,016	-	136,625
Exploration costs	1,651,915	158,617	(272,289)	1,538,243
	1,739,524	207,633	(272,289)	1,674,868

Current year additions to mineral exploration costs include share based compensation of \$7,206 (December 31, 2020- \$nil). The Company recorded nil in incidental revenue from sales of gypsum from the Ace Gypsum mine (December 31, 2020-\$272,289). See Note 6 for discussion on refund of security deposits.

6. DEFERRED OPTION PAYMENTS

	31-Mar-21	31-Dec-20
	\$	\$
Gander property	100,000	-

In February 2021, the Company entered into an option agreement with Sassy Resources Corporation. (“Sassy”) in relation to the Company's Gander Belt Gold mineral property (624 claims). Sassy has an option to earn a 100% interest in the property over a four year period by incurring exploration expenditures of \$2,000,000 (\$200,000 in year 2021) and by making option payments of 2,500,000 common shares, and \$400,000 cash (\$100,000 upon signing). As at March 31, 2021, 1,000,000 common shares having a market value of \$700,000 at the time of their issuance and \$100,000 cash have been received. Security deposits of \$28,950 paid on the 624 claims have been reimbursed to the Company. \$100,000 received as of March 31, 2021 has been recorded as deferred option payments. After Sassy earns its 100% interest, the Company can retain a 3% net smelter royalty (NSR) covering the 624 claims. Sassy has the right to repurchase one-half of that NSR (1.5%) for \$2,000,000 in cash and 500,000 common shares within one year following delivery to Vulcan of a Feasibility Report on any deposit advanced on the properties.

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Notes to the Condensed Consolidated Financial Statements
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March 31, 2021 and 2020

7. LOAN

	\$	\$
Loan	27,150	27,150
Fair Value adjustment	238	-
Balance end of period	27,388	27,150

The Company availed of a \$40,000 loan under the federal government of Canada Covid-19 relief measures in 2020. The Canada Emergency Business Account loan provides a forgivable amount of \$10,000 if the amount of \$30,000 is repaid by December 31, 2022. This loan is non-interest bearing until January 1, 2023. In the event there is a loan balance outstanding on January 1, 2023, the loan will be renewed for a 3-year term with a fixed annual rate of interest of 5%. Interest accretion on the loan is \$238 for the period.

8. ASSET RETIREMENT OBLIGATIONS

Upon termination of the Company's Ace Gypsum mine, the Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premises to their original condition.

The total discounted cash flows estimated to settle its asset retirement obligations at December 31, 2020 was \$129,430 (2019- \$129,430). The estimated future cash flows have been discounted using a risk-free rate of 0.2% (2019 - 1.68%) and an inflation rate of 0.7% (2019 - 2.20%). As at March 31, 2021 the Company had entered an agreement with an insurance company to provide a surety bond to the Newfoundland and Labrador government in compliance with its requirements under the approved site development plan, as submitted and reviewed by the government of Newfoundland and Labrador. As additional work and reclamation is completed on the property, the Company will increase or decrease this bond as required by the Newfoundland and Labrador government.

A reconciliation of the asset retirement obligation is provided below:

	March 31, 2021	December 31, 2020
	\$	\$
Balance, beginning of year	129,430	129,430
Fair Value adjustment	4,292	-
Balance, end of period	133,722	129,430

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

9. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares
Unlimited number of preferred shares, issuable in series

b) Issued and outstanding

	March 31, 2021		December 31, 2020	
	Number	Share Capital \$	Number	Share Capital \$
Balance, beginning of period	81,352,765	19,737,670	61,352,765	19,220,616
Issued pursuant to private placements (Notes 8 (d) and (e))	-	-	20,000,000	523,504
Exercise of share warrants	400,000	40,000	-	-
Transfer to share capital on exercise of warrants	-	9,200	-	-
Share issuance cost	-	(3,128)	-	(6,450)
Balance, end of period	81,752,765	19,783,742	81,352,765	19,737,670

(c) Contributed surplus

A summary of contributed surplus is as follows:

	March 31, 2021 \$	December 30, 2020 \$
Balance, beginning of period	2,917,126	2,856,011
Share-based compensation (Note 9)	203,844	41,200
Expiration of warrants	-	19,915
Balance, end of period	3,120,970	2,917,126

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(d) Private Placements

Pursuant to a private placement dated August 26th, 2020 the Company closed 20,000,000 units at \$0.05 per unit for total cash consideration of \$1,000,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 per share until August 26, 2023. An amount of \$523,504 has been allocated to share capital and \$476,496 to the fair value of the warrants (note 10(e)).

e) Warrants

A summary of warrants issued and exercisable and changes during the periods then ended is as follows:

	Number of Warrants	Weighted- Average Exercise Price	Number of Warrants	Weighted- Average Exercise Price
		\$		\$
Beginning of period	20,980,000	0.10	1,413,318	0.12
Expired	-	-	(433,318)	0.12
Exercised	(400,000)	0.10	-	-
Issued	-	-	20,000,000	0.10
End of period	20,580,000	0.10	20,980,000	0.10

	\$	\$
Balance, beginning of period	476,496	19,915
Transferred to share capital on exercise of warrants	(9,200)	-
Fair value of warrants issued	-	476,496
Expiry of Warrants	-	(19,915)
Balance, end of period	467,296	476,496

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

The weighted average fair value of the warrants was estimated on the date of issuance to be \$nil (December 31, 2020- \$0.07) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	March 31, 2021	December 31, 2020
Expected volatility (%)	-	200
Risk free interest rate (%)	-	1.49
Weighted-average expected life (years)	-	3.0
Dividend yield (%)	-	0

10. SHARE-BASED COMPENSATION

a) *Vulcan Minerals Inc. stock options*

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiary are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

A summary of the status of the Company's stock option plan is as follows:

		March 31, 2021		December 31, 2020
	Number of Options	Weighted- Average Exercise Price	Number of Options	Weighted- Average Exercise Price
		\$		\$
Outstanding, beginning of period	5,425,000	0.10	5,500,000	0.10
Granted	2,700,000	0.15	700,000	0.10
Expired	(700,000)	0.10	(775,000)	0.10
Outstanding, end of period	7,425,000	0.10	5,425,000	0.10
Exercisable, end of period	5,725,000	0.10	4,725,000	0.10

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The weighted average remaining contractual life of outstanding options is 3.5 years (December 31, 2020 – 2.21 years). The weighted average remaining contractual life of exercisable options is 5.2 years (December 31, 2020 – 1.90 years).

In the three months ended March 31, 2021 the company granted 2,700,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.15 per share for a period of five years. 1,350,000 options vested on the date of the grant March 9, 2021 and the remaining 1,350,000 options vest June 1, 2022.

In the year ended December 30, 2020 the company granted 700,000 stock options to one director with each option entitling the holder to purchase one common share at \$0.10 per share for a period of five years. 350,000 options vested on the date of the grant August 26, 2020 and the remaining 350,000 options vest December 31, 2021.

b) Fair Value assumptions

The weighted average fair value of stock options granted in the three months ended March 31, 2021 was estimated to be \$0.145 (December 31, 2020- \$0.0575) using the Black- Scholes fair value option pricing model and the following weighted average assumptions:

	2021	2020
Expected volatility (%)	190	84
Risk free interest rate (%)	1.19	0.49
Weighted-average expected life (years)	5.0	5.0
Dividend yield (%)	-	-

c) Red Moon Resources Inc. stock options

Red Moon Resources Inc. (Red Moon) has a stock option plan under which directors, officers, management, consultants and employees of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The number of shares which may be reserved for issuance in any 12 month period to any one individual may not exceed 5% of the issued shares or 2% if the optionee is a consultant, and the number of shares which may be reserved for issuance in any 12 month period to all optionees engaged in investor relations activities may not exceed 2% in the aggregate of the issued shares on a yearly basis. Options may be exercisable over periods of up to ten years, as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the TSXV.

A summary of stock options outstanding and exercisable is as follows:

VULCAN MINERALS INC.

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		March 31, 2020		December 31, 2020
	Number of Options	Weighted- Average Exercise Price \$	Number of Options	Weighted- Average Exercise Price \$
Outstanding, beginning of period	5,000,000	0.10	4,500,000	0.10
Granted	-	-	1,100,000	0.10
Exercised	(100,000)	0.10	-	-
Expired	(500,000)	-	(600,000)	-
Outstanding, end of period	4,400,000	0.10	5,000,000	0.10
Outstanding and exercisable, end of period	3,850,000	0.10	4,150,000	0.10

During the three months ended March 31, 2021 100,000 options were exercised. No stock options were granted in the three months ending March 31, 2021. For the period ending December 31, 2020 the Company granted 1,100,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.10 per share for a period of five years. 550,000 options vested on the date of the grant December 16, 2020 and the remaining 550,000 options vest December 31, 2021. In the year ended December 31, 2019, the Company granted 700,000 stock options in two grants. One grant of 100,000 was granted to a Director entitling the holder to purchase one common share at \$0.10 for a period of five years. 50,000 options vested on the date of the grant May 6, 2019 and 50,000 shares vest on December 31, 2020. Another grant of 600,000 options was granted to Director's entitling the holder to purchase one common share at \$0.10 per share for a period of five years. 300,000 shares vested on the date of the grant December 30, 2019 and 300,000 shares vest on March 31, 2021.

The weighted average remaining contractual life of outstanding options is 3.6 years (December 31, 2020 – 2.59 years). The weighted average remaining contractual life of exercisable options is 3.45 years (December 31, 2020- 2.30 years). The weighted average fair value of stock options granted in the year was estimated on the dates of the grants to be \$nil (December 31, 2020- \$0.075) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	March 31, 2021	December 31, 2020
Expected volatility (%)	-	175
Risk free interest rate (%)	-	0.45
Weighted-average expected life (years)	-	5.0
Dividend yield (%)	-	0

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

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d) *Consolidated share-based compensation expense*

The Company recognized share-based compensation in the amount of \$220,000 in the three months ended March 31, 2021 (March 31, 2020 - \$10,252). Share-based compensation in the amount of \$212,794 was expensed for the three months ended March 31, 2020 (March 31, 2020 – \$10,252) and \$7,206 (March 31, 2020- \$nil) was capitalized to mineral exploration and evaluation assets.

11. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2021	March 31, 2020
	\$	\$
Office and administrative	33,215	23,611
Management, salaries and contract fees and benefits	60,880	29,666
Marketing and communications	188,527	-
Transfer agent and professional fees	32,525	14,651
Travel and accommodation	-	6,960
	315,147	74,889
Expenses attributable to subsidiary, Red Moon Resources Inc.	215,923	22,137
Expenses attributable to parent, Vulcan Minerals Inc.	99,224	(58,873)
Total	315,147	74,889

12. RELATED PARTY TRANSACTIONS

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and Directors, is as follows:

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

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	March 31, 2021	March 31, 2020
	\$	\$
Management fees, salaries and benefits for key management personnel		
General and administrative expense	45,870	26,538
Capitalized as mineral exploration and evaluation assets	8,627	7,284
Share-based compensation for key management personnel		
General and administrative	212,794	10,252
Capitalized as mineral exploration and evaluation assets	7,206	-
	274,497	44,074

	March 31, 2021	March 31, 2020
	\$	\$
Rent paid to a corporation which is controlled by the President of the Company	9,000	9,000

13. CONTINGENCIES

- a) The legal case initiated by Geophysical Service Incorporated (GSI) in 2011 against the Company has been discontinued (dropped) by GSI. The claim related to an allegation that accessing offshore Labrador seismic data, which is released to the public by the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) after the relevant statutory privilege-confidentiality period, is a breach of copyright. The Company fully defended its interests including participating in an Alberta “common issues” trial with multiple defendants from other cases and jurisdictions which raised the same legal issues with GSI. The common legal issues pertained to whether certain GSI seismic data is subject to copyright law and if so whether the regulatory regime which prescribes for the release of that data by the regulatory bodies, including the CNLOPB, is valid and not an unlawful infringement on any copyright protection. The Alberta Court of Queen’s Bench and the Alberta Court of Appeal both upheld the validity of the regulatory regime as a full answer to any allegation of unlawful disclosure and copyright infringement by the multiple defendants. Therefore, the CNLOPB was within its rights to release the seismic data pursuant to its regulatory regime and the Company was within its rights to access the data. GSI had sought permission to appeal the decision of the Alberta Court of Appeal to the Supreme Court of Canada (SCC), however this permission was not granted by the SCC. The notice of discontinuance of this action by GSI was filed in the Supreme Court of Newfoundland and Labrador. Vulcan is settling legal costs in the matter.

VULCAN MINERALS INC.

Notes to the Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

- b) The Company has been added as a co-defendant in an ongoing legal action Geophysical Service Incorporated (GSI) has with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. Procedurally the action has moved slowly through the Alberta courts as multiple GSI actions in Alberta involving other parties were awaiting the resolution of the “common issues” trial noted (a) above. The Company believes the claims against it are without basis or merit and no amounts have been recorded in the Company’s accounts related to this claim. The Company is fully defending its interest.

14. SUBSEQUENT EVENT

On May 5th, 2021 the Company’s subsidiary announced a non-brokered private placement for proceeds of \$3,250,000. The company intends to place 3,461,538 units at a price of \$0.65 per unit. A unit consists of consist of one common share and one half common share purchase warrant exercisable at a price of \$0.90 per common share for a period of two years subject to an acceleration clause. The acceleration clause states that in the event that the closing price of the company’s shares on the TSX Venture Exchange is \$1.25 or greater per share during any 10 consecutive trading day period at any time subsequent to four months and one day after the closing date, all warrants in this offering will expire at 4:00 pm Newfoundland time on the 30th day after the date on which the company provides notice of such accelerated expiry to the holders of the warrants. The subsidiary also intends to place 1,333,333 Flow through units at \$0.75. Each flow-through unit will consist of one common share and one-half of a common share purchase warrant on the same terms as the hard dollar round and subject to the same acceleration clause as the non-flow through units.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick J. Laracy
President and Chairman

Jennifer Button
Chief Financial Officer and Corporate
Secretary

BOARD OF DIRECTORS

Patrick J. Laracy

Carson Noel

Philip E. Collins

Fraser Edison

EXCHANGE LISTING

TSX Venture – “VUL”

LEGAL COUNSEL

Morris McManus, Calgary, AB
Cox & Palmer, St. John’s, NL

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada

AUDITORS

PricewaterhouseCoopers LLP

BANKERS

Scotiabank

ADDITIONAL INFORMATION

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