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**STONE GOLD INC.  
(FORMERLY CR CAPITAL CORP.)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2021  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed interim financial statements of Stone Gold Inc. ("CR Capital Corp.") (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended March 31, 2021 have not been reviewed by the Company's auditors.

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**Stone Gold Inc. (Formerly CR Capital Corp.)****Condensed Interim Statements of Financial Position****(Expressed in Canadian dollars)****(Unaudited)**

	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,015,021	\$ 1,075,884
Amounts receivable and other assets (note 3)	33,498	20,958
<b>Total assets</b>	<b>\$ 1,048,519</b>	<b>\$ 1,096,842</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 4 and 12)	\$ 160,850	\$ 42,166
Flow-through share liability (note 5)	84,207	149,293
<b>Total liabilities</b>	<b>245,057</b>	<b>191,459</b>
<b>Shareholders' equity</b>		
Share capital (note 6)	25,716,932	25,517,237
Reserves (notes 7 and 8)	488,755	531,450
Accumulated deficit	(25,402,225)	(25,143,304)
<b>Total shareholders' equity</b>	<b>803,462</b>	<b>905,383</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,048,519</b>	<b>\$ 1,096,842</b>

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Commitments (notes 10 and 14)

Subsequent events (note 15)

**Stone Gold Inc. (Formerly CR Capital Corp.)**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

**Three Months Ended**  
**March 31,**  
**2021                      2020**

<b>Operating expenses</b>		
Exploration and evaluation expenditures (note 10)	\$ 236,444	\$ 975
General and administrative (note 11)	87,563	24,984
<b>Operating loss before the following items</b>	<b>(324,007)</b>	<b>(25,959)</b>
Unrealized gain on marketable securities	-	35,000
Realized loss on marketable securities	-	(32,750)
Premium recovery on flow-through shares (note 5)	65,086	98
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (258,921)</b>	<b>\$ (23,611)</b>
<b>Basic and diluted net loss per share (note 9)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding (note 9)</b>	<b>26,832,294</b>	<b>11,277,335</b>

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

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**Stone Gold Inc. (Formerly CR Capital Corp.)****Condensed Interim Statements of Cash Flows****(Expressed in Canadian dollars)****(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net loss for the period	\$ (258,921)	\$ (23,611)
Adjustments for:		
Unrealized gain on marketable securities	-	(35,000)
Realized loss on marketable securities	-	32,750
Premium recovery on flow-through shares (note 5)	(65,086)	(98)
Shares issued for acquisition of mining property (note 6(b)(i))	4,500	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	(12,540)	5,895
Amounts payable and other liabilities	118,684	161
<b>Net cash (used in) operating activities</b>	<b>(213,363)</b>	<b>(19,903)</b>
<b>Investing activities</b>		
Proceeds from sale of marketable securities	-	27,250
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>27,250</b>
<b>Financing activities</b>		
Proceeds from exercise of warrants (note 6(b)(ii))	152,500	-
<b>Net cash provided by financing activities</b>	<b>152,500</b>	<b>-</b>
<b>Net change in cash</b>	<b>(60,863)</b>	<b>7,347</b>
<b>Cash, beginning of period</b>	<b>1,075,884</b>	<b>31,389</b>
<b>Cash, end of period</b>	<b>\$ 1,015,021</b>	<b>\$ 38,736</b>

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

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**Stone Gold Inc. (Formerly CR Capital Corp.)****Condensed Interim Statements of Changes in Equity****(Expressed in Canadian dollars)****(Unaudited)**

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	<b>Share capital</b>	<b>Reserves</b>	<b>Accumulated deficit</b>	<b>Total</b>
<b>Balance, December 31, 2020</b>	<b>\$ 25,517,237</b>	<b>\$ 531,450</b>	<b>\$(25,143,304)</b>	<b>\$ 905,383</b>
Shares issued for acquisition of mining property (note 6(b)(i))	4,500	-	-	4,500
Warrants exercised (note 6(b)(ii))	195,195	(42,695)	-	152,500
Net loss for the period	-	-	(258,921)	(258,921)
<b>Balance, March 31, 2021</b>	<b>\$ 25,716,932</b>	<b>\$ 488,755</b>	<b>\$(25,402,225)</b>	<b>\$ 803,462</b>
<b>Balance, December 31, 2019</b>	<b>\$ 24,576,144</b>	<b>\$ 90,748</b>	<b>\$(24,664,492)</b>	<b>\$ 2,400</b>
Net loss for the period	-	-	(23,611)	(23,611)
<b>Balance, March 31, 2020</b>	<b>\$ 24,576,144</b>	<b>\$ 90,748</b>	<b>\$(24,688,103)</b>	<b>\$ (21,211)</b>

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

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# Stone Gold Inc. (Formerly CR Capital Corp.)

## Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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### 1. Nature of operations and going concern

Stone Gold Inc. (formerly CR Capital Corp.) (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Ontario Business Corporations Act on December 13, 2002. The Company is engaged in the acquisition, exploration and evaluation of properties for the mining of precious and base metals. The primary office of the Company is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

On August 26, 2020, the Company changed its corporate name from CR Capital Corp. to Stone Gold Inc. The Company's shares commenced trading on the TSX Venture Exchange ("TSXV") under the new name at the opening of trading on September 21, 2020 and under the new trading symbol "STG".

The Company has incurred a loss of \$258,921 for the three months ended March 31, 2021 (three months ended March 31, 2020 - loss of \$23,611) and as at March 31, 2021, had limited working capital and an accumulated deficit of \$25,402,225 (December 31, 2020 - \$25,143,304). These conditions indicate the existence of a material uncertainty that casts significant doubt as to whether the Company can continue as a going concern.

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

The business of acquisition, exploration and evaluation for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's continued existence is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. To date, our operations have remained stable as the pandemic continues to progress and evolve but it is difficult to predict the full extent and duration of resulting operational and economic impacts for the Company, which are expected to impact a number of reporting periods.

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# Stone Gold Inc. (Formerly CR Capital Corp.)

## Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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### 2. Significant accounting policies

#### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 25, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2020, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim financial statements.

#### New accounting standards adopted

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

### 3. Amounts receivable and other assets

	As at March 31, 2021	As at December 31, 2020
Sales tax receivable - Canada	\$ 31,628	\$ 11,984
Prepaid expenses	1,870	8,974
	<b>\$ 33,498</b>	<b>\$ 20,958</b>

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**Stone Gold Inc. (Formerly CR Capital Corp.)****Notes to Condensed Interim Financial Statements****Three Months Ended March 31, 2021****(Expressed in Canadian dollars)****(Unaudited)**

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**4. Amounts payable and other liabilities**

	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Trade payables	\$ 128,365	\$ 18,915
Accrued liabilities	32,485	23,251
	<b>\$ 160,850</b>	<b>\$ 42,166</b>

The following is an aged analysis of the amounts payable and other liabilities:

	<b>As at March 31, 2021</b>	<b>As at December 31, 2020</b>
Less than 1 month	\$ 160,082	\$ 42,166
1 to 3 months	768	-
	<b>\$ 160,850</b>	<b>\$ 42,166</b>

**5. Flow-through share liability**

The following is a continuity schedule of the liability of the flow-through shares issuance:

<b>Balance, December 31, 2020</b>	<b>\$ 149,293</b>
Settlement of flow-through share liability by incurring expenditures (i)	(65,086)
<b>Balance, March 31, 2021</b>	<b>\$ 84,207</b>

(i) The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the three months ended March 31, 2021, the Company satisfied \$65,086 of the commitment by incurring eligible expenditures of approximately \$187,000 and as a result the flow-through premium has been reduced to \$84,207.



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## Stone Gold Inc. (Formerly CR Capital Corp.)

### Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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#### 6. Share capital

##### a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

##### b) Common shares issued

As at March 31, 2021, the issued share capital amounted to \$25,716,932. Changes in issued share capital for the periods presented are as follows:

	Number of common shares	Amount
<b>Balance, December 31, 2019 and March 31, 2020</b>	<b>11,277,335</b>	<b>\$ 24,576,144</b>
<b>Balance, December 31, 2020</b>	<b>25,777,335</b>	<b>\$ 25,517,237</b>
Shares issued for acquisition of mineral property (i)	30,000	4,500
Warrants exercised (ii)	1,575,000	195,195
<b>Balance, March 31, 2021</b>	<b>27,382,335</b>	<b>\$ 25,716,932</b>

(i) Refer to note 10(i). The fair value was estimated based on the closing price of the Company's share on the date of issue.

(ii) On January 13, 2021, 125,000 warrants with an exercise price of \$0.10 and expiry date of January 20, 2022 were exercised for gross proceeds of \$12,500. On January 28, 2021, 1,250,000 warrants with an exercise price of \$0.10 and expiry date of January 20, 2022 were exercised for gross proceeds of \$125,000. On February 22, 2021, 200,000 warrants with an exercise price of \$0.075 and expiry date of October 9, 2021 were exercised for gross proceeds of \$15,000.

## Stone Gold Inc. (Formerly CR Capital Corp.)

### Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

#### 7. Warrants

The following table reflects the continuity of warrants for the periods ended March 31, 2021 and March 31, 2020:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2019 and March 31, 2020</b>	<b>950,000</b>	<b>0.075</b>
<b>Balance, December 31, 2020</b>	<b>10,830,000</b>	<b>0.127</b>
Exercised (note 6(b)(ii))	(1,575,000)	0.097
<b>Balance, March 31, 2021</b>	<b>9,255,000</b>	<b>0.132</b>

The following table reflects the actual warrants issued and outstanding as of March 31, 2021:

Number of warrants outstanding	Grant date fair value(\$)	Exercise price (\$)	Expiry date
750,000	22,500	0.075	October 9, 2021
1,750,000	42,645	0.125	January 20, 2022
4,315,000	115,157	0.100	January 20, 2022
750,000	18,276	0.125	January 24, 2022
440,000	11,880	0.100	January 24, 2022
1,250,000	132,320	0.300	December 30, 2022
<b>9,255,000</b>	<b>342,778</b>	<b>0.132</b>	

#### 8. Stock options

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2019 and March 31, 2020</b>	<b>775,000</b>	<b>0.10</b>
<b>Balance, December 31, 2020 and March 31, 2021</b>	<b>1,495,000</b>	<b>0.14</b>

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
April 9, 2023	0.15	2.02	375,000	375,000
April 12, 2024	0.05	3.04	120,000	120,000
November 2, 2025	0.15	4.59	950,000	950,000
December 9, 2025	0.17	4.70	50,000	50,000
		<b>3.83</b>	<b>1,495,000</b>	<b>1,495,000</b>

## Stone Gold Inc. (Formerly CR Capital Corp.)

### Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

#### 9. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2021 was based on the loss attributable to common shareholders of \$258,921 (three months ended March 31, 2020 - loss of \$23,611) and the weighted average number of common shares outstanding of 26,832,294 (three months ended March 31, 2020 - 11,277,335). Diluted loss per share did not include the effect of 1,495,000 stock options (March 31, 2020 - 775,000 stock options) and 9,255,000 warrants (March 31, 2020 - 950,000 warrants) as they are anti-dilutive.

#### 10. Exploration and evaluation expenditures

	Three Months Ended March 31,	
	2021	2020
<b>Coppercorp Property</b>		
Property acquisition costs (ii)	\$ 30,000	\$ -
General and geology	25,744	975
	<b>\$ 55,744</b>	<b>\$ 975</b>
<b>Mount Jamie North Property</b>		
Property acquisition costs (i)	\$ 14,500	\$ -
General and geology	29,394	-
Drilling	136,806	-
	<b>\$ 180,700</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 236,444</b>	<b>\$ 975</b>

(i) On January 12, 2021, the Company entered into an asset purchase agreement with EMX Royalty Corporation ("EMX"), pursuant to which the Company will acquire certain mineral claims in Red Lake, Ontario from EMX. Under the terms of the agreement, EMX will receive a cash payment of \$10,000 (paid), the grant of a 1.5% net smelter return royalty (the "NSR") on the claims and will be issued 30,000 common share of the Company (issued and valued at \$4,500 - refer to note 6(b)(i)) for 100% ownership of the claims. The acquisition was completed on February 2, 2021.

(ii) On March 10, 2021, the Company announced that it entered into an option agreement (the "East Breccia Option Agreement") to earn a 100% interest in certain mineral claims in Batchewana Bay, Ontario making up the East Breccia project (the "East Breccia Project") and a second option agreement with current claims holders (the "Tribag Option Agreement") to earn a 100% interest in certain minerals claims in Batchewana Bay, Ontario making up the Tribag project (the "Tribag Project").

#### East Breccia Option Agreement

Under the terms of the East Breccia Option Agreement, the Company has the option to acquire a 100% interest in the East Breccia Project by making the following cash payments and shares issuances:

1. cash payment of \$15,000 (paid) on the day of acceptance of the transaction by the TSXV (the "Closing");
2. issuance of 200,000 common shares of the Company ("Shares") (refer to note 15(i)) by the 30th day following the Closing;
3. cash payment of \$25,000 and issuance of 200,000 Shares by the first anniversary of the Closing;
4. cash payment of \$35,000 and issuance of 200,000 Shares by the second anniversary of the Closing;
5. cash payment of \$40,000 and issuance of 100,000 Shares by the third anniversary of the Closing; and
6. cash payment of \$50,000 and issuance of 100,000 Shares by the fourth anniversary of the Closing.

To further maintain the East Breccia Option Agreement in full force and effect, the Company shall also incur cumulative exploration expenditures on the East Breccia Project of \$300,000 as follows: (1) \$100,000 on or before the second anniversary of the Closing; (2) \$100,000 on or before the third anniversary of the Closing; and (3) \$100,000 on or before the fourth anniversary of the Closing.

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## Stone Gold Inc. (Formerly CR Capital Corp.)

### Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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#### 10. Exploration and evaluation expenditures (continued)

(ii) (continued)

##### East Breccia Option Agreement (continued)

Under the terms of the East Breccia Option Agreement, the Company will pay a 2% NSR to the vendors on commencement of commercial production. The Company will have the right, at any time until one year after commercial production to purchase 1% of the 2% NSR for \$1,000,000.

##### Tribag Option Agreement

Under the terms of the East Breccia Option Agreement, the Company has the option to acquire a 100% interest in the Tribag Project by making the following cash payments and Shares issuances:

1. cash payment of \$15,000 (paid) on the date of execution of the Tribag Option Agreement;
2. issuance of 500,000 Shares (refer to note 15(i)) by the 30th day following the Closing;
3. cash payment of \$30,000 and issuance of 250,000 Shares by the first anniversary of the execution date;
4. cash payment of \$15,000 and issuance of 250,000 Shares by the second anniversary of the execution date; and
5. cash payment of \$15,000 and issuance of 500,000 Shares by the third anniversary of the execution date.

To further maintain the Tribag Option Agreement in full force and effect, the Company shall also incur cumulative exploration expenditures on the Tribag Project of \$400,000 as follows: (1) \$100,000 on or before the second anniversary of the execution date; (2) \$100,000 on or before the third anniversary of the execution date; and (3) \$200,000 on or before the fourth anniversary of the execution date.

Under the terms of the Tribag Option Agreement, the Company will pay a 2% NSR to the vendors on commencement of commercial production. The Company will have the right, at any time until one year after completion of any bankable feasibility study to purchase 0.5% of the 2% NSR for \$500,000, and at any time until one year after commercial production to purchase an additional 0.5% of the 2% NSR for \$750,000.

#### 11. General and administrative

	Three Months Ended March 31,	
	2021	2020
Professional fees (note 12)	\$ 24,030	\$ 12,910
Management compensation (note 12)	21,500	-
Reporting issuer costs	15,828	8,540
Director fees (note 12)	15,000	-
Shareholder and investors relations	7,220	1,596
Office and general	2,555	1,885
Business development	1,200	-
Bank charges	230	53
	<u>\$ 87,563</u>	<u>\$ 24,984</u>

# Stone Gold Inc. (Formerly CR Capital Corp.)

## Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

### 12. Related party disclosures

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management personnel (including Chief Executive Officer), Chief Financial Officer ("CFO") and directors), other than consulting fees, of the Company was as follows:

	Three Months Ended March 31,	
	2021	2020
Management compensation and salaries and benefits <sup>(1)</sup>	\$ 37,635	\$ 4,635

(1) Salaries and benefits include director fees. The Board of Directors and select officers do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to fees and stock options for their services. During the three months ended March 31, 2021, \$15,000 was paid or accrued for director fees. As at March 31, 2021, officers and directors (excluding the CFO) were owed \$13,077 (December 31, 2020 - \$1,602) and this amount was included in amounts payable and other liabilities.

The Company entered into the following transactions with related parties:

	Notes	Three Months Ended March 31,	
		2021	2020
Marrelli Support Services Inc. ("Marrelli Support")	(i)	\$ 6,400	\$ 5,477
DSA Filing Services Limited ("DSA")	(ii)	\$ 1,368	\$ 405
Marrelli Press Release Services Limited ("Press Release")	(iii)	\$ 2,220	\$ 530

(i) During the three months ended March 31, 2021, the Company paid professional fees of \$6,400 (three months ended March 31, 2020 - \$5,477) to Marrelli Support, an organization of which Carmelo Marrelli is Managing Director. Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. As at March 31, 2021, Marrelli Support was owed \$2,379 (December 31, 2020 - \$2,914) and this amount was included in amounts payable and other liabilities.

(ii) During the three months ended March 31, 2021, the Company paid professional fees of \$1,368 (three months ended March 31, 2020 - \$405) to DSA, an organization of which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. As at March 31, 2021, DSA was owed \$4,104 (December 31, 2020 - \$339) and this amount was included in amounts payable and other liabilities.

(iii) During the three months ended March 31, 2021, the Company paid professional fees of \$2,220 (three months ended March 31, 2020 - \$530) to Press Release, an organization of which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of Press Release. These services were incurred in the normal course of operations for press release matters. As at March 31, 2021, Press Release was owed \$1,363 (December 31, 2020 - \$1,110) and this amount was included in amounts payable and other liabilities.

All amounts due to related parties are unsecured, non-interest bearing and due on demand.

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## **Stone Gold Inc. (Formerly CR Capital Corp.)**

### **Notes to Condensed Interim Financial Statements**

**Three Months Ended March 31, 2021**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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#### **13. Segmented information**

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed interim financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

#### **14. Commitments**

##### **Flow-through shares**

Pursuant to the terms of a flow-through share agreement, the Company is in the process of complying with flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of March 31, 2021, the Company is committed to incurring approximately \$742,000 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2021 arising from the flow-through offerings.

The Government of Canada has proposed extending the deadline to complete the necessary spending requirements from the issuance of flow-through shares raised in 2019 and 2020 by one year respectively. If this proposal is passed, the Company will have until December 31, 2022 to spend these amounts.

#### **15. Subsequent events**

(i) On April 22, 2021, the Company announced that it received TSXV approval for the option agreement to earn a 100% interest in the East Breccia Project and the Tribag Project (refer to note 10(ii)). In accordance with the option agreements, the Company issued 700,000 common shares of the Company to the vendors. The common shares issued are subject to a statutory four months and a day hold period.

(ii) On April 28, 2021, the Company announced the appointment of Birks Bovaird to its Board of Directors. The Company also announced Brian Howlett's resignation from the Board of Directors.