UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Commission File Number: 000-53676

LODE-STAR MINING INC.

(Exact name of registrant as specified in its charter)

NEVADA	47-4347638
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*

1 East Liberty Street, Suite 600
Reno, NV 89501

(Address of principal executive offices, including zip code.)

(775) 234-5443

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:	Securities registered pursuant to section 12(g) of the Act:
NONE	Common Stock, $0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES o **NO** þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act:
YES o **NO** þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES þ **NO** o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES þ **NO** o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	o	**Accelerated Filer**	o
Non-accelerated Filer	o	**Smaller Reporting Company**	þ
Emerging Growth Company	o		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). **YES o NO** þ

The aggregate market value of the registrant's common stock held by non-affiliates at June 30, 2020, its most recently completed second fiscal quarter, was $1,597,830. The stock price used in this calculation was the closing price of the registrant's stock reported on the OTCQB marketplace on June 25, 2019, the date of trading activity closest to last business day of the registrant's most recently completed second fiscal quarter. For purposes of calculating this amount only, all executive officers, directors and beneficial owners of 5% or more of the outstanding shares of common stock have been treated as affiliates. At March 24, 2021 50,634,536 shares of the registrant's common stock were outstanding.

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Cautionary Note Regarding Forward-Looking Statements.

This current report on Form 10-K (this "Report") contains forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks and the risks set out below, any of which may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- the uncertainty of future revenue and profitability based upon our current financial condition and history of losses;
- our lack of operating history;
- we have no proven and/or probable reserves at the present time;
- risks relating to our liquidity;
- risks related to the market for our common stock and our ability to dilute our current shareholders' interest;
- risks related to our ability to locate and proceed with a new project or business for which we can obtain funding;
- risks related to our ability to obtain adequate financing on a timely basis and on acceptable terms; and
- other risks and uncertainties related to our business strategy.

This list is not an exhaustive list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on our forward-looking statements.

Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are issued, and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Unless the context otherwise requires, references in this Report to "LSM," the "Company", "we", "us", "our", or "ours" refer to Lode-Star Mining Inc.

PART I.

ITEM 1. BUSINESS

Lode-Star Mining Inc. was incorporated in the State of Nevada on December 9, 2004 for the purpose of acquiring and exploring mineral properties. Our principal executive offices are in Reno, Nevada. We also maintain a business office in Vancouver, British Columbia, Canada.

We have no revenues, have losses since inception, and have been issued a going concern opinion by our auditor. We are relying upon loans and/or the sale of securities to fund our operations. We have no employees and expect to use outside consultants, advisors, attorneys and accountants as necessary for the next twelve months.

Mineral Property Interest

Further to a Mineral Option Agreement (the "Option Agreement") dated October 4, 2014, on December 5, 2014, we entered into a subscription agreement (the "Subscription Agreement") with Lode-Star Gold INC., a private Nevada corporation ("LSG") in which we agreed to issue 35,000,000 shares of our common stock, valued at $230,180, to LSG in exchange for an initial 20% undivided beneficial interest in and to LSG's Goldfield property, which made LSG our largest and controlling shareholder.

LSG was incorporated in the State of Nevada on March 13, 1998 for the purpose of acquiring exploration stage mineral properties. It currently has one shareholder, Lonnie Humphries, who is the spouse of Mark Walmesley, our President and Chief Financial Officer. Mr. Walmesley is also the Director of Operations and a director of LSG.

LSG's Goldfield Bonanza property is comprised of 31 patented mineral claims owned 100% by LSG, located on approximately 460 acres in the district of Goldfield in the state of Nevada (the "Property"). The Property is clear titled, with a 1% Net Smelter Royalty ("NSR") existing in the favor of the original property owner. LSG has rehabbed approximately 1/2 mile of drift at the 300ft level and completed 22 surface core drill holes for a total of 10,400 ft and 152 underground core drill holes for a total of 23,000ft.

LSG acquired the leases to the Property in 1997 and became the registered and beneficial owner of the Property on September 19, 2009. Since the earlier of those dates, it has conducted contract exploration work on the Property but has not determined whether it contains mineral reserves that are economically recoverable. LSG is an exploration stage company and has not generated any revenues since its inception. The Property represents its only material asset.

The Property is located in west-central Nevada, in the Goldfield Mining District at Latitude 37° 42', and Longitude 117° 14'. The claims comprising the Property are located in surveyed sections 35 and 36, Township 2 South, Range 42 East, and in sections 1, 2, 11, and 12, Township 3 South, Range 42 East, in Esmeralda County, Nevada. The Property is accessible by traveling approximately one-half mile northeast of the community of Goldfield, along a county-maintained road that originates at U.S. Highway 95, which runs through "downtown" Goldfield. The town of Goldfield, which is the Esmeralda county seat (population 300), is approximately 200 air miles south of Reno and 180 air miles north of Las Vegas. Surface access on the Property is excellent and the relief is low, at an elevation of approximately 6,000 feet. Vegetation is sparse, consisting largely of sagebrush, rabbitbrush, Joshua trees and grasses. Water, electricity and other sundry needs such as restaurants, lodging, minor medical needs, fire station, and police are within 1 mile of the property.

All properties, claims, buildings, equipment, and supplies are owned by LSG and we have free access to utilize and manage all those items. Operations are managed from a 6,000 sq. ft. office and warehouse facility complete with showers and laundry amenities. Two residential trailer sites are immediately adjacent to this building for crew needs.

The Property has one working shaft, the February Premier, which has access to the 300 ft level, with approximately 1/2 mile of ventilated drift. Underground work has identified 2 high-grade gold-bearing zones which the company plans to further explore. The program that we envision undertaking includes the mining of approximately 10,000 tons of non-NI 43-101 compliant gold mineralization at an approximate grade of 0.9 ounces per ton. The estimated grade is based on historic drilling work done by LSG, for which the 1.5-inch core samples were consumed by assay requirements. In order to provide adequate sample weights to the assaying lab, the entire core was processed for individual samples. While we have encountered several additional high-grade drill anomalies throughout the property, it is important to note that we have no proven and/or probable reserves at the present time and therefore the program is exploratory in nature.

The Property has two operating water monitoring wells that were mandatory for us to receive a water pollution control permit. Part of the permitting application is for the allowance of the company to store its waste rock underground. The property has no milling onsite and we must rely on a third party to receive our mineralized material and tombstone our tailings.

The execution of the Subscription Agreement was one of the closing conditions of the Option Agreement, pursuant to which we acquired the sole and exclusive option to earn up to an 80% undivided interest in and to the Property. To earn the additional 60% interest in the Property, we were required to fund all expenditures on the Property and pay LSG an aggregate of $5 million in cash from the Property's mineral production proceeds in the form of an NSR. Until we have earned the additional 60% interest, the NSR will be split 79.2% to LSG, 19.8% to us and 1% to the former Property owner.

The Option Agreement can be found as Exhibit 10.1 to our report filed on Form 8-K on October 9, 2014 and is incorporated by reference, shown as Exhibit 10.5 to this report. The Subscription Agreement can be found as Exhibit 10.7 to our report filed on Form 10-K/A on January 11, 2017 and is incorporated by reference, shown as Exhibit 10.7 to this report.

If we fail to make any cash payments to LSG within one year of October 4, 2014, we are required to pay LSG an additional $100,000, and in any subsequent years in which we fail to complete the payment of the entire $5 million described above, we must make quarterly cash payments to LSG of $25,000 until we have earned the additional 60% interest in the Property.

LSG granted us a series of deferrals of the payments, with the most recent being granted on January 11, 2017. LSG agreed on that date to defer payment of all amounts due in accordance with the Option Agreement until further notice. On January 17, 2017, the Company and LSG agreed that as of January 1, 2017, all outstanding balances shall carry a compound interest rate of 5% per annum. It was further agreed that the ongoing payment deferral shall apply to interest and principal, both of which will continue to be accrued.

Amendment to Option Agreement

On October 31, 2019, we entered into an amendment (the "Amendment") to the Option Agreement with LSG.

Under the Amendment, the exercise of the 60% option was restructured into two separate 30% options, such that we may now earn a 30% interest in the Property (for a total of 50%) (the "Second Option") by completing the following actions:

- paying LSG $5 million in cash from the Property's mineral production proceeds in the form of an NSR royalty (the "Initial Payment");

- paying LSG all accrued and unpaid penalty payments under the Option Agreement;

- repaying to LSG (i) all loans, advances or other payments made by LSG to the Company and (ii) all expenditures on the Property funded by or on behalf of LSG until the date on which the Initial Payment has been completed; and

- funding all expenditures on the Property until the date on which the Initial Payment has been completed.

Following the exercise of the Second Option, we may earn an additional 30% interest in the Property (for a total of 80%) (the "Third Option") by completing the following actions:

- paying LSG a further $5 million in cash from the Property's mineral production proceeds in the form of a NSR royalty (the "Final Payment"); and

- funding all expenditures on the Property from the date on which the Second Option is exercised until the date on which the Final Payment has been completed.

The primary effect of the Amendment is therefore to increase to the purchase price for the additional 60% interest in the Property from $5 million to $10 million, while at the same time separating it into tranches.

The foregoing description of the Amendment includes a summary of all the material provisions but is qualified in its entirety by reference to the complete text of the Amendment included as Exhibit 10.8 to our report filed on Form 8-K on November 6, 2019 and incorporated herein by reference.

We agreed with LSG that upon the successful completion of a toll milling agreement after permitting is achieved, there will be a basis to form a joint management committee to outline work programs and budgets, as contemplated in the Option Agreement and for us to act as the operator of the Property. To the date of this report LSG has borne all costs in connection with operations on the Property.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below before purchasing our common stock. The following risk factors could have a material adverse effect on our business, financial condition and results of operations.

We have a history of operating losses and there can be no assurance that we can achieve or maintain profitability.

We have a history of operating losses and may not achieve or sustain profitability. We cannot guarantee that we will become profitable. Even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may be unable to sustain or increase profitability and our failure to do so would adversely affect our business, including our ability to raise additional funds.

Because our auditors have issued a going concern opinion, there is substantial uncertainty that we will be able to continue our operations.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue to operate over the next 12 months. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue in existence. As such, if we are unable to obtain new financing to execute our business plan we may be required to cease our operations.

The Property may not contain mineral reserves that are economically recoverable and we cannot accurately predict the effect of certain factors affecting such a determination.

LSG has not determined if the Property contains mineral reserves that are economically recoverable. Exploration for mineral reserves involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge, may not eliminate. Few properties which are explored are ultimately developed into producing properties. Estimates of mineral reserves and any potential determination as to whether a mineral deposit will be commercially viable can be affected by such factors as deposit size; grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; metal prices which are highly cyclical; environmental factors; unforeseen technical difficulties; work interruptions; and government regulations, including regulations relating to permitting, prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted. The long term profitability of our operations will be, in part, directly related to the cost and success of our exploration and development program. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the ore and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, we cannot provide any assurance that any such deposit will be commercially viable or that we will be able to obtain the funds required for development on a timely basis.

If the Property is ultimately placed into production, we will encounter hazards and risks that could result in significant legal liability.

In the event that we are ultimately able to commence commercial production on the Property, our operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although we plan to take appropriate precautions to mitigate these hazards and risks by, among other things, obtaining liability insurance in an amount considered to be adequate by management, their nature is such that the liabilities might exceed policy limits, they might not be insurable, or we may not elect to insure against them due to high premium costs or other reasons, which could have a material adverse effect upon our financial condition and results of operations.

We face significant competition in the mineral resource industry that presents an ongoing threat to the success of our business.

The mining industry is intensely competitive in all of its phases, and we will be forced to compete with many companies that possess greater financial resources and technical facilities than we do. Significant competition exists for the limited number of mineral acquisition opportunities available in our sphere of operations. As a result of this competition, our ability to acquire additional attractive mining properties on terms we consider acceptable may be adversely affected.

Fluctuating mineral prices may negatively affect our ability to secure financing or our results of operations.

Our future revenues, if any, will likely be derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond our control including economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global and regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of our business, could negatively affect our ability to secure financing or our results of operations.

We are subject to government laws and regulations particular to our operations with which we may be unable to comply.

We may not be able to comply with all current and future government environmental laws and regulations which are applicable to our business. Our operations are subject to all government regulations normally incident to conducting business: occupational safety and health acts, workmen's compensation statutes, unemployment insurance legislation, income tax and social security laws and regulations, and most importantly, environmental laws and regulations. In addition, we are subject to laws and regulations regarding the development of mineral properties in the State of Nevada. We are also subject to governmental laws and regulations applicable to small public companies and their capital formation efforts.

We are engaged in mineral exploration and are accordingly exposed to environmental risks associated with mineral exploration and mining activity. LSG is currently in the exploration stage and has not determined whether significant site reclamation costs will be required on the Property in the future, which we will likely be responsible for as well. Although we will make every effort to comply with all applicable laws and regulations, we cannot provide any assurance that we will be able to deal with evolving environmental attitudes and regulations, nor can we predict the effect of any future changes to environmental regulations on our proposed business activities. We only plan to record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified. Other costs of compliance with environmental regulations may also be burdensome. Our failure to comply with material regulatory requirements could have an adverse effect on our ability to conduct our business. The expenditure of substantial sums on environmental matters would have a materially negative effect on our ability to implement our business plan and could require us to cease operations.

Our business depends substantially on the continuing efforts of our officers, and our business may be severely disrupted if we lose their services.

Our future success heavily depends on the continued service of our officers. Although we plan to increase the size of our Board of Directors, appoint additional officers and engage various consultants as our business grows, if they are unable or unwilling to continue to work for us in their present capacities, we may have to spend a considerable amount of time and resources searching, recruiting and integrating one or more replacements into our operations, which would severely disrupt our business. This may also adversely affect our ability to execute our business strategy.

We may be unable to attract and retain qualified, experienced, highly skilled personnel, which could adversely affect the implementation of our business plan.

Our success depends to a significant degree upon our ability to attract, retain and motivate skilled and qualified personnel. As we become a more mature company in the future, we may find recruiting and retention efforts more challenging. If we do not succeed in attracting, hiring and integrating such personnel, or retaining and motivating existing personnel, we may be unable to grow effectively. The loss of any key employee, including members of our management team, and our inability to attract highly skilled personnel with sufficient experience in our industry could harm our business.

We may indemnify our officers and directors against liability to us and our security holders, and such indemnification could increase our operating costs.

Our Amended and Restated Articles of Incorporation allow us to indemnify our officers and directors against claims associated with carrying out the duties of their offices. Our Bylaws also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our officers, directors or control persons, we have been advised by the SEC that such indemnification is against public policy and is therefore unenforceable.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if any of our officers or directors files a claim against us for indemnification, the associated expenses could also increase our operating costs.

Failure to comply with the* Foreign Corrupt Practices Act *could subject us to penalties and other adverse consequences.

As a Nevada corporation, we are subject to the *Foreign Corrupt Practices Act*, which generally prohibits United States companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Some foreign companies, including some that may compete with us, may not be subject to these prohibitions. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur from time-to-time in the countries in which we conduct our business. However, our employees or other agents may engage in conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Current global financial and economic conditions could adversely impact our operations and financial condition.

Current global financial and economic conditions remain volatile. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk; devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets; and a lack of market liquidity. Such factors may impact our ability to obtain financing on favorable terms or at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility and market turmoil were to continue, our operations and financial condition could be adversely impacted.

Risks Related to Ownership of Our Common Stock

Because there is a limited public trading market for our common stock, investors may not be able to resell their shares.

There is currently a limited public trading market for our common stock. Therefore, there is no central place, such as stock exchange or electronic trading system, to resell any shares of our common stock. If investors wish to resell their shares, they will have to locate a buyer and negotiate their own sale. As a result, they may be unable to sell their shares or may be forced to sell them at a loss.

We cannot assure investors that there will be a market in the future for our common stock. The trading of securities on the OTCQB is often sporadic and investors may have difficulty buying and selling our shares or obtaining market quotations for them, which may have a negative effect on the market price of our common stock. Investors may not be able to sell shares at their purchase price or at any price at all.

LSG has voting control over matters submitted to a vote of the stockholders, and it may take actions that conflict with the interests of our other stockholders and holders of our debt securities.

We issued 35,000,000 shares of our common stock to LSG in the acquisition of our mineral property interest. LSG and its owner control approximately 72 % of the votes eligible to be cast by stockholders in the election of directors and generally. As a result, LSG has the power to control all matters requiring the approval of our stockholders, including the election of directors and the approval of mergers and other significant corporate transactions.

The sale of securities by us in any equity or debt financing could result in dilution to our existing stockholders and have a material adverse effect on our earnings.

Any sale of common stock by us in a future private placement offering could result in dilution to the existing stockholders as a direct result of our issuance of additional shares of our capital stock. In addition, our business strategy may include expansion through the acquisition of additional property interests or through business combinations with entities operating in our industry. In order to do so, or to finance the cost of our operations, we may issue additional equity securities that could dilute our stockholders' stock ownership. We may also pursue debt financing, if and when available, and this could negatively impact our earnings and results of operations. If the board of directors issues an additional class of voting for less than fair value, the value of your interest in the company will be diluted. We have no present intention to issue any additional class of voting securities.

We are subject to penny stock regulations and restrictions and investors may have difficulty selling shares of our common stock.

Our common stock is subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock rules". Section 15(g) sets forth certain requirements for transactions in penny stock, and Rule 15g-9(d) incorporates the definition of "penny stock" that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines a penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. We are subject to the SEC's penny stock rules.

Since our common stock is deemed to be penny stock, trading in the shares of our common stock is subject to additional sales practice requirements on broker-dealers who sell penny stock to persons other than established customers and accredited investors. “Accredited investors” are generally persons with assets in excess of $1,000,000 (excluding the value of such person’s primary residence) or annual income exceeding $200,000 or $300,000 together with their spouse. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such security and must have the purchaser’s written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in an account and information to the limited market in penny stocks.

Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our common stock and may affect the ability of our stockholders to sell their shares of common stock.

There can be no assurance that our common stock will qualify for exemption from the penny stock rules. In any event, even if our common stock was exempt from the penny stock rules, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock if the SEC finds that such a restriction would be in the public interest.

We do not expect to pay dividends for the foreseeable future.

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, our stockholders will not receive any funds unless they sell their common stock, and stockholders may be unable to sell their shares on favorable terms or at all.

Investors may face significant restrictions on the resale of their shares due to state “blue sky” laws.

Each state has its own securities laws, commonly known as “blue sky” laws, which (1) limit sales of securities to a state’s residents unless the securities are registered in that state or qualify for an exemption from registration, and (2) govern the reporting requirements for broker-dealers doing business directly or indirectly in the state. Before a security is sold in a state, there must be a registration in place to cover the transaction, or it must be exempt from registration. The applicable broker-dealer must also be registered in that state.

We do not know whether our securities will be registered or exempt from registration under the laws of any state. A determination regarding registration will be made by those broker-dealers, if any, who agree to serve as market makers for our common stock. There may be significant state blue sky law restrictions on the ability of investors to sell, and on purchasers to buy, our securities. Investors should therefore consider the resale market for our common stock to be limited, as they may be unable to resell their shares without the significant expense of state registration or qualification.

ITEM 1 B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our Property is located in west-central Nevada (Figure 1), in the Goldfield Mining District at Latitude 37° 42’, and Longitude 117° 14’. The claims comprising the Property are located in surveyed sections 35 and 36, Township 2 South, Range 42 East, and in sections 1, 2, 11, and 12, Township 3 South, Range 42 East, in Esmeralda County, Nevada. The Property is accessible by traveling approximately one-half mile northeast of the community of Goldfield, along a county-maintained road that originates at U.S. Highway 95, which runs through “downtown” Goldfield. The town of Goldfield, which is the Esmeralda county seat (population 300), is approximately 200 air miles south of Reno and 180 air miles north of Las Vegas. Surface access on the Property is excellent and the relief is low, at an elevation of approximately 6,000 feet. Vegetation is sparse, consisting largely of sagebrush, rabbitbrush, Joshua trees and grasses.

ITEM 2. PROPERTIES *(Continued)*

Figure 1: Property Location Map

The Property is wholly owned by LSG, the company's largest shareholder and is clear titled. The 31 patented claims cover an area of approximately 460 acres, or 186 hectares. The claims are owned as private land by LSG, and only annual property taxes must be paid.

We have mineral rights to all the claims listed below. We have surface rights on all claims except for a portion of five claims that exist within the town boundary of Goldfield. The claims include any and all contracts, easements, leases and rights-of-way affecting or appurtenant thereto. The fees and maintenance of the claims are currently being paid by the LSG. The annual fee for maintaining all the claims is under $1,500. A map of the claims is shown below in Figure 2.

Patented Claims

Claim Name	U.S. Survey No.
Combination No. 3	2375
August	2916
Great Western	2525
Gold Coin	2525
February	2941
Mohawk No. 1	2283
Side Line Fraction	2567
January	2941
Silver Pick	2203
Silver Pick Fraction	2203
Deserted **(1)**	2203
Pipe Dream	2203
North End **(2)**	2203
Hazel Queen	2375
Fraction	2844
White Horse	2844
White Rock	2844
Yellow Jacket	2844
Firelight	2749
Emma Fraction	2360
S.E. 2/3 Red King (more or less)	2361
S.E. 1/2 (Cornishman)	2750
Kewana #3	2565
Blue Jay	2375
Combination No. 1 Claim **(3)**	2375
Combination No 2 Claim **(4)**	2844 (19/24th interest)
Omega	2844 (19/24th interest)
Apazaca	2844 (19/24th interest)
Alpha	2844 (19/24th interest)
Jim Fraction	4096 (19/24th interest)
O.K. Fraction	2560 (¾ of ½ interest)

Notes:

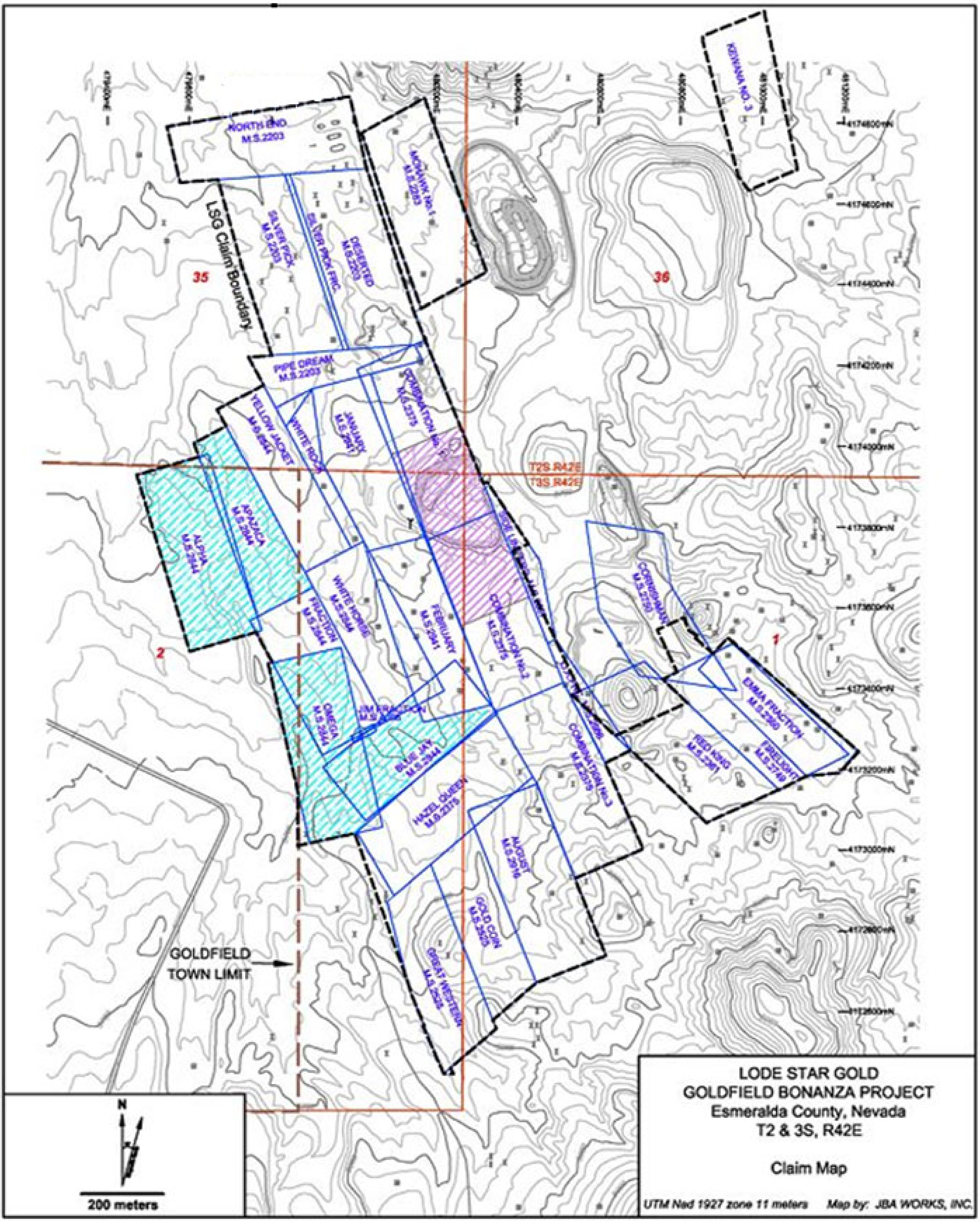
(1) Excluding the upper 200 feet from surface of the north ½ of such claim (the “Deserted Excluded Zone”). We may, in our sole and unfettered discretion, by written notice to LSG at any time during the term of the Option Agreement, opt to include the Deserted Excluded Zone in the Property.

(2) Excluding the upper 200 feet from surface of the east ½ of such claim (the “North End Excluded Zone”). We may, in our sole and unfettered discretion, by written notice to LSG at any time during the term of the Agreement, opt to include the North End Excluded Zone in the Property.

(3) Includes all depths of the north ½ of such claim along with depths beneath 380 feet on the south ½ of such claim.

(4) Includes all depths of the south ½ of such claim along with depths beneath 380 feet on the south ½ of such claim.

Figure 2: Claim Map



Current Infrastructure:

All properties, claims, buildings, equipment, and supplies are owned by our largest shareholder, LSG. We have free access to utilize and manage all the above noted items.

The property is immediately adjacent to the historic gold producing town of Goldfield, NV, which is the county seat for Esmeralda County. Water, electricity and other sundry needs such as restaurants, lodging, minor medical needs, fire station, and police are within 1 mile of the property.

Operations are managed from a 6,000 sq. ft. office and warehouse facility complete with showers and laundry amenities. Two residential trailer sites are immediately adjacent to this building for crew needs.

The property has one working shaft, the February Premier, which has access to the 300 ft level, with approximately 1/2 mile of ventilated drift. Underground work has identified 2 high-grade gold-bearing zones which the company plans to further explore. The program that we envision undertaking includes the mining of approximately 10,000 tons of non-NI 43-101 compliant gold mineralization at an approximate grade of 0.9 ounces per ton. The estimated grade is based on historic drilling work done by LSG, for which the 1.5-inch core samples were consumed by assay requirements. In order to provide adequate sample weights to the assaying lab, the entire core was processed for individual samples. While we have encountered several additional high-grade drill anomalies throughout the property, it is important to note that we have no proven and/or probable reserves at the present time and therefore the program is exploratory in nature.

The property has two operating water monitoring wells that were mandatory for us to receive a water pollution control permit. Part of the permitting application is for the allowance of the company to store its waste rock underground. The property has no milling on site and we must rely on a third party to receive our mineralized material and tombstone our tailings.

The Company received its Water Pollution Control Permit NEV2017109 from the Nevada Department of Environmental Protection (NDEP) regarding production at the property, as at November 20, 2018. This Permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County, Nevada. The Permit is effective for 5 years until November 20, 2023 and authorizes the processing of 10,000 tons of ore per year from Lode-Star’s underground operations. In accordance with MSHA guidelines, we are in the process of re-occupying the Property’s underground workings.

On February 17, 2017, we executed an agreement with Scorpio Gold Corporation (Scorpio) for a pilot toll milling test. We completed the first test in May 2017 and both companies determined that further testing needed to be completed to determine a definitive cost analysis and other operational details. The sample processed was historic material stockpiled on the property surface and therefore of limited metallurgical value, but indicative of material that will be run through the mill. Milling throughput did identify specific equipment configuration details that need to be considered for future runs. Both parties agree that additional milling circuitry is needed for the most optimum gold yield. We expect to provide material from our targeted underground zone for more comprehensive milling results.

On January 22, 2020 we executed a toll milling agreement (the “Agreement”) with Scorpio’s affiliate, Goldwedge LLC. The Agreement allowed for the processing of ore delivered from our Property to the 400 ton per day Goldwedge milling facility located in Manhattan, Nevada.

Based on previous metallurgical testing, our ore requires gravity combined with floatation for optimal recoveries of contained precious metals. The Goldwedge milling circuit is currently configured with a gravity recovery circuit. Under the terms of the Agreement, we will advance funds required for the design, engineering, permitting and modifications to the Goldwedge facility to include the addition of a flotation circuit, supporting reagent tanks/silos, secondary lining of process containment ponds, leak detection and monitoring wells associated with fluid containments.

The Agreement provided for us to recoup the advanced funds through a reduction in toll milling rates, until all advanced funds have been repaid. Following repayment, the toll charges would revert to standard rates.

Subsequent to a change in ownership of Scorpio, we re-assessed the agreement, concluding that it is unlikely to be completed and that we have no commitment to continue with it. Based on that, the total of $54,318 incurred in connection with the agreement and included in Prepaid fees has been written off and charged to Impairment expense at December 31, 2020.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding which management believes is likely to result in a material liability and no such action has been threatened against us, or, to the best of our knowledge, is contemplated.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our stock is quoted under the symbol "LSMG" on the OTCQB marketplace of the OTC Markets Group. OTCQB companies must verify via an annual OTCQB Certification, signed by the company CEO or CFO, that their company information is current, including information about a company's reporting status, company profile, information on management and boards, major shareholders, law firms, transfer agents, and IR / PR firms.

The high and low bid quotations of our common stock for the 2020 and 2019 quarters are as follows:

	2020		2019	
Quarter Ended	**High**	**Low**	**High**	**Low**
March 31	$ 0.28	$ 0.065	$ 0.06	$ 0.022
June 30	$ 0.14	$ 0.065	$ 0.15	$ 0.045
September 30	$ 0.138	$ 0.095	$ 0.056	$ 0.0425
December 31	$ 0.148	$ 0.065	$ 0.07402	$ 0.0325

These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions.

The market for our common stock has been sporadic and there have been significant periods during which there were few, if any, transactions in the common stock and no reported quotations. Accordingly, reliance should not be placed on the quotes listed above, as the trades and depth of the market may be limited, and therefore, such quotes may not be a true indication of the current market value of the Company's common stock.

On December 31, 2020, we had 67 shareholders of record of our common stock.

We competed our NI 43-101 report as of January 15, 2020.

Capitalization

<u>Shares</u>

Our authorized capital is 500,000,000 shares of capital stock, divided into 480,000,000 shares of common stock with a par value of $0.001 per share, and 20,000,000 shares of preferred stock with a par value of $0.001 par value per share.

At December 31, 2020, 50,605,965 (2019: 50,605,965) shares of common stock had been issued. No shares of preferred stock have been issued to date. On March 4, 2021, 28,571 common shares were issued on the exercise of stock options as described below.

<u>Stock Options</u>

On November 20, 2018, we granted 500,000 non-qualified stock options pursuant to the Equity Incentive Plan, to key outside consultants, with 50% vesting after one year and 50% vesting after two years. Each option is exercisable into one share of our common stock at a price of $0.06 per share, for a term of five years. 50,000 of the options were exercised March 4, 2021 on a cashless basis, resulting in the issuance of 28,571 common shares.

On February 14, 2017, we granted 9,500,000 non-qualified stock options to key corporate officers and outside consultants, with 25% vesting immediately and a further 25% vesting every six months thereafter for eighteen months. Each option is exercisable into one share of our common stock at a price of US$0.06 per share, equal to the closing price of the common stock on the grant date, for a term of five years. None of the options have been exercised to date.

<u>Warrants</u>

3,336,060 warrants that were issued in connection with a 2015 consulting agreement, expired, without being exercised, on November 19, 2020.

Securities Authorized for Issuance under Equity Compensation Plans

We reserved 10,000,000 shares of common stock for issuance under our 2015 Omnibus Equity Incentive Plan. The purpose of the Plan is to maintain our ability to attract and retain highly qualified and experienced directors, officers and consultants and to give such directors, officers and consultants a continued proprietary interest in our success. The Plan is available to any stockholder on request.

Dividends

We have not declared any cash dividends, nor do we have any plans to do so. Management anticipates that, for the foreseeable future, all available cash will be needed to fund our operations.

Penny Stock

Our common stock is subject to the provisions of Section 15(g) of the Exchange Act and Rule 15g-9 thereunder, commonly referred to as the "penny stock rule". Section 15(g) sets forth certain requirements for transactions in penny stock, and Rule 15g-9(d) incorporates the definition of "penny stock" that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines a penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. We are subject to the SEC's penny stock rules.

Since our common stock is deemed to be penny stock, trading in the shares of our common stock is subject to additional sales practice requirements on broker-dealers who sell penny stock to persons other than established customers and accredited investors. "Accredited investors" are generally persons with assets in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 together with their spouse. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of securities and must have the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document prepared by the SEC relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for penny stocks held in an account and information to the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealer to trade and/or maintain a market in our common stock and may affect the ability of our stockholders to sell their shares.

Recent Sales of Unregistered Securities

During the years ended December 31, 2020 and 2019, we had no subscriptions for shares of our common stock.

Within the past three years, other than the following, we have not issued any equity securities that were not registered under the Securities Act.

- On December 3, 2018, we issued 1,478,140 common shares in exchange for debt totaling $48,778 owed to a related party, comprised of $40,205 in loans and $8,573 in accrued interest.

- After year end, on March 4, 2021, we issued 28,571common shares upon the cashless exercise of 50,000 stock options.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes appearing elsewhere in this report. In addition to historical financial information, the following discussion includes a number of forward-looking statements that reflect our plans, estimates and our current views with respect to future events and financial performance. See "**Cautionary Note Regarding Forward Looking Statements**" above for a discussion of forward-looking statements and the significance of such statements in the context of this Report. It is important to note, while we have encountered several high-grade drill anomalies throughout the property, we have no proven and/or probable reserves at the present time.

Property - Previous Exploration Work, Mineralization and State of Exploration

The Property is wholly owned by LSG, our largest shareholder, and is clear titled. A 1% net smelter royalty exists in the favor of the original property owner. The property consists of 31 patented claims on approximately 460 acres. LSG, over the past 15 years and continuing, has spent over $7 million on underground rehab of approximately 1/4 mile of drift at the 300ft sub-surface level. LSG also executed 22 surface core drill holes for a total of 10,400ft and 152 underground core drill holes for a total of 23,000ft.

It is important to note the following sample preparation and quality controls used by LSG and by ICN, a previous operator of the Property:

Lode-Star Gold drill hole core sampling and analytical protocol

All drill core samples were prepared and delivered to ALS Minerals in Reno by Tom Temkin, our COO. Individual sampled intervals varied from one to five-foot lengths, based on geologic parameters, and included 100% of core intervals. No core splitting was conducted. No duplicate samples or standards were introduced other than those inserted and utilized by ALS for their internal quality control. Lab preparation of individual samples included crushing and grinding to minus 200 mesh, followed by a 1-ton assay for gold. All samples that initially assayed over 1.0 opt Au were systematically re-assayed.

ICN drill hole core and Rotary RC sampling and analytical protocol

All drill core samples were prepared by ICN personnel and either delivered to the assay lab or were picked up on-site by lab personnel. Rotary RC chip drilling samples were collected on-site and transported to Reno by the respective labs. The labs used included ALS Minerals and American Assay Lab. Core was sawn by ALS Minerals and/or ICN personnel. Individual core sampled intervals varied from one to five-foot lengths, based on geologic parameters, and included one-half of the original core material. Rotary RC samples were taken at five-foot intervals entirely. Quality control for all samples included a protocol of inserting duplicate samples, blanks, and known standards, at repeating intervals to maintain .08% check sampling. Lab preparation of Individual samples included crushing and grinding to minus 200 mesh, followed by a 1-ton assay for gold. All samples that initially assayed over 1.0 opt Au were systematically re-assayed.

Underground work has identified 2 high-grade gold-bearing zones (see the small yellow stars in Fig. 1. and see Fig. 2.) that can support mine development utilizing our current infrastructure. The property is now permitted for production and should be mine ready by the end of Q2, 2020. It is our intention to then start mining the property. Much of the property remains under-explored and it is our belief that the district's high-grade, million-ounce ore zones repeat themselves. Further surface and underground exploration work need to be executed. We plan to explore through production and chase our known, high-grade vein zones.

Third Party Assay Data Audit

Mine Development Associates (MDA Reno), a highly regarded, third party NI 43-101 service provider, has audited our drill hole database and performed a comparative QA/QC check assay analysis on selected drilling and determined no inconsistencies to exist and assays were repeatable within both the Red Hills and Church Zones.

NI 43-101 Update Status

We filed an independent Technical Report written in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) on our property located in Goldfield, Nevada. Although not required for OTC listing, we had this report prepared under NI 43-101 guidelines to provide a summary of the Goldfield Bonanza Project. This NI 43-101 is required documentation for future possible business transactions and listings on Canadian exchanges. The Technical Report titled "Technical Report on the Goldfield Bonanza Project Esmeralda County Nevada U.S.A." dated January 15, 2020 has been prepared by Mr. Robert M. Hatch, SME Registered Geologist.

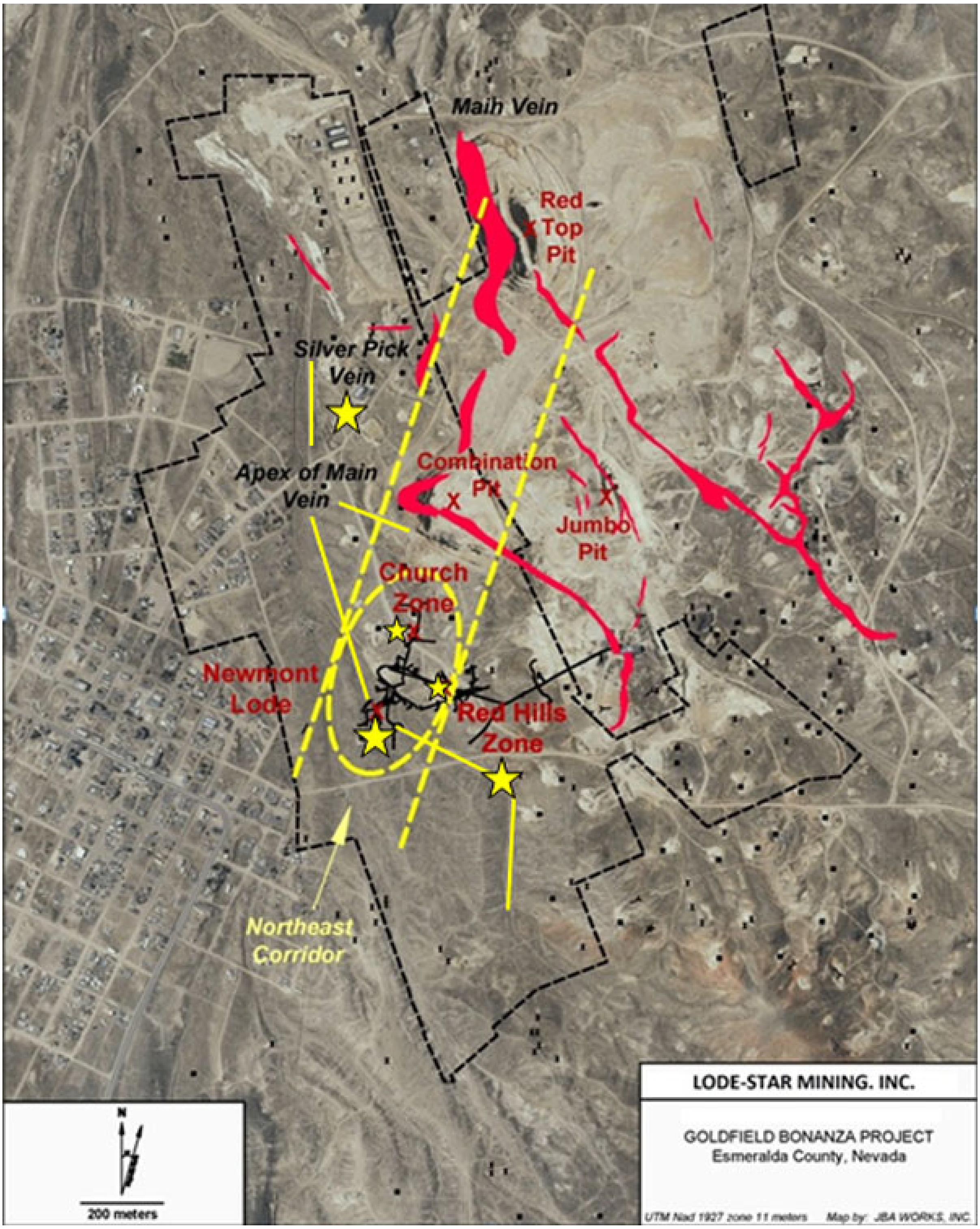
The report is available for review on EDGAR (https://www.sec.gov/edgar/searchedgar/companysearch.html) and SEDAR (https://www.sedar.com/) under Lode-Star Mining's issuer profile.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Continued)*

The red areas (See Figure 1a. below) show the historic vein zones where, at an average grade of 1oz Au/ton, roughly 4 million ounces were produced during the period 1904-1918: Last year of production by Goldfield Consolidated, (Source: Albers and Stewart, 1972). For historic Goldfield production see Figure 1b.

The large yellow stars indicate areas we need to explore to repeat the past high-grade production intercepts. The yellow lines are known geophysical interpreted structures. The small yellow stars are the immediate definition drilling and production zones.

Fig. 1a. - The red vein zones contained in the aerial photo below depict the historic mined veins



HISTORIC PRODUCTION

Figure 1b. - Production from Goldfield Mining District

Year	Ore (tons)	Gold (ounces)	Grade Gold (avg. oz/ton)	Silver (ounces)	Grade Silver (avg. oz/ton)
1903		3,419		287	
1904	8,000	113,293	**14.16**	19,954	2.49
1905	11,700	91,088	**7.79**	8,589	0.73
1906	59,628	339,890	**5.70**	15,648	0.26
1907	101,136	406,756	**4.02**	71,710	0.71
1908	88,152	236,082	**2.68**	30,823	0.35
1909	297,199	453,915	**1.53**	33,164	0.11
1910	339,219	538,760	**1.59**	117,598	0.35
1911	390,431	497,637	**1.27**	126,406	0.32
1912	362,777	301,848	0.83	125,736	0.35
1913	364,785	242,815	0.67	153,984	0.42
1914	367,166	227,612	0.62	129,830	0.35
1915	418,935	212,337	0.51	165,305	0.39
1916	383,456	128,250	0.33	129,781	0.34
1917	339,488	91,917	0.27	78,184	0.23
1918*	264,237	58,685	0.22	90,560	0.34
1919	16,435	35,810	**2.18**	39,912	2.43
1920	6,571	7,536	**1.15**	6,081	0.93
1921	1,903	7,101	**3.73**	1,761	0.93
1922	5,619	12,773	**2.27**	5,755	1.02
1923	3,137	4,471	**1.43**	3,613	1.15
1924	7,352	4,336	0.59	3,982	0.54
1925	2,773	5,053	**1.82**	2,369	0.85
1925-1960	129,705	168,616	**1.30**	88,967	0.69
Total	**3,958,104**	**4,190,000**	**1.06**	**1,450,000**	**0.37**

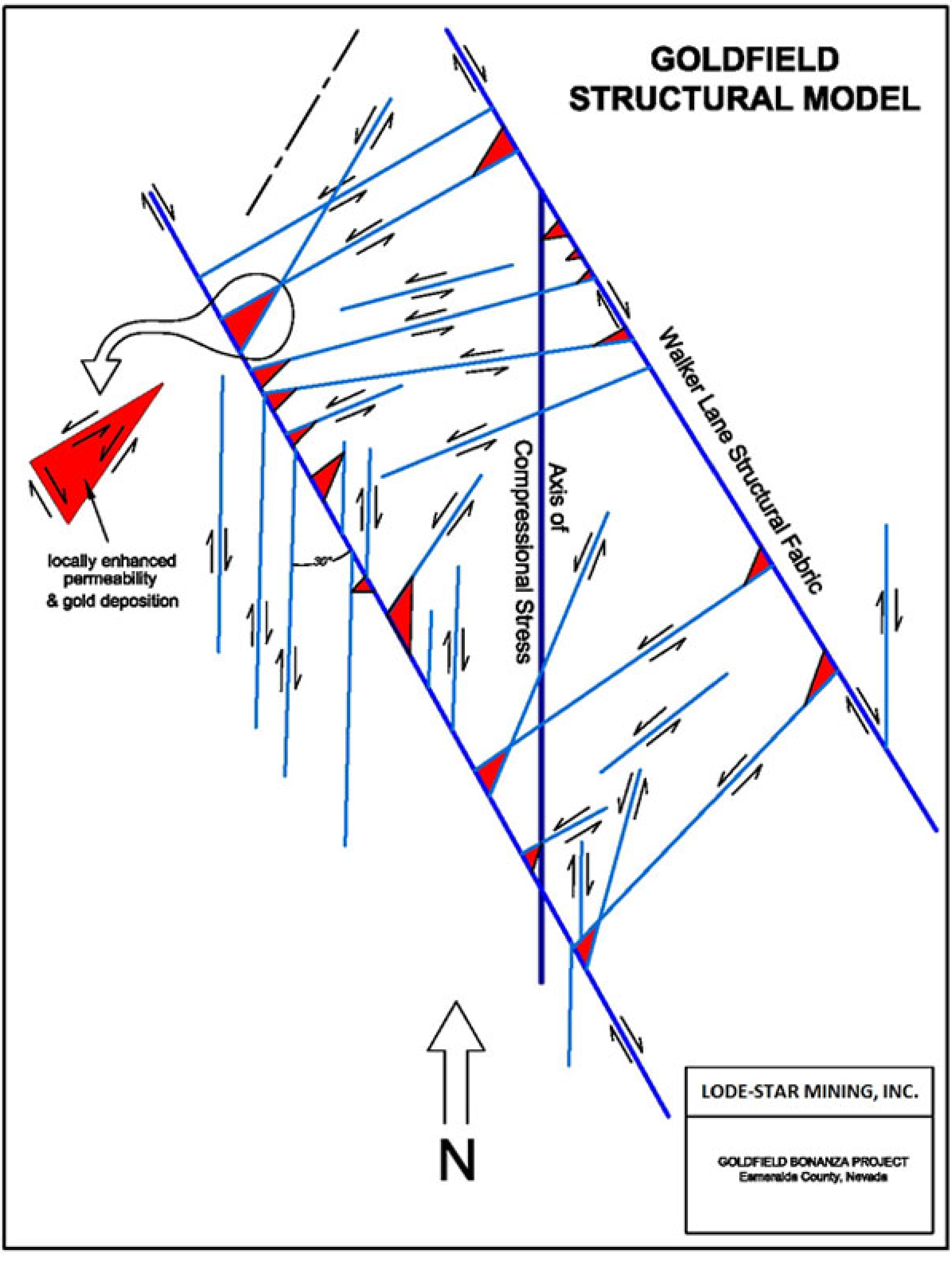
***** Last year of production by Goldfield Consolidated

SOURCE: Albers and Stewart, 1972

Geologic Structure

The geologic model, as seen in Fig. 1c. below, shows the modern interpretation of expected structural intersections that created the Goldfield high-grade gold zones. Current thinking, based on finding these repeated intersections, is that more multi-million-ounce intercepts are possible.

Fig. 1c. Geologic Structural Model



Mine Development:

Lode Star Gold has completed underground rehabilitation and is developing the mine on two headings. Respectively, these are named the Red Hills Stope Zone and Decline Vein Zone. Additional muck bays have been added for underground storage of ore. Four bays are presently storing 0.15 - 0.25 oz/ton gold, 0.25 - 0.50 oz/ton gold, 0.50 - 1.00 oz/ton gold and 1.00 oz/ton or better gold, respectively. Grade-control samples have been analyzed in Scorpio's Mineral Ridge Gold laboratory and Paragon Geochemical's Reno, NV office. The variety of grade-control samples include channel samples, blast-hole samples and muck pile samples.

The majority of work has been done in the Stope Zone which has been our most productive heading followed by the Decline Zone. A surprise addition to activities at the north end of the Stope Zone found considerable veining becoming an additional area of development. The Company is awaiting assays from its efforts on this new heading. This is further explained below in **Item 7. Red Hills Vein System - Priority 1.**

The Company has elected not to repurpose the Church shaft nor the January Whiterock shaft as mentioned in earlier reports. Instead, as noted in Fig. 2a below we have initiated the development of a raise that will accommodate a secondary escapeway and access to the Church ore zone. We are calling this the Church Raise Zone. This raise to the surface will allow us to intersect and develop the high-grade ore zone identified by ICN's Church Zone drilling of core holes ICN-003, 013, 014. This is further explained below in **Item 7. Church Zone - Priority 2**. Work on this began in late January of 2021. As of the drafting of this report, the Company has completed 25% of intended initial 100ft portion of the escapeway.

Step Out Drilling and Exploration:

Surface definition drilling is underway in the aforementioned Church Vein Zone. This zone measures up to 40 feet in width and trends at least 600 feet north-northeasterly, immediately west of the Church shaft. Drilling by ICN in 2011 included 19 core holes with varying results. Some holes did not hit the intended target and will be re-drilled to better test the target. As drilling progressed into the vein area, marginal gold was identified. Three holes, ICN-003, ICN-013 and ICN-014 (results below) hit solid high- grade intercepts which need further drilling to define. (Grams per Metric Tonne = 34.2857).

Hole ICN-003: included 9.5 ft (2.90 m) weighted averaged assays of 40.79 oz/ton (1398.6 g/t) gold. Hole ICN-013: included 4.5 ft (1.37 m) with 51.46 oz/ton (1764.2 g/t) gold. Hole ICN-014: included 3.5 ft (1.00 m) with 68.02 oz/ton (2332.0 g/t) gold. Hole ICN-001 included 3.0 ft (0.90 m) with averaged assays of 6.29 oz/ton (215.7 g/t) gold and ICN-023 included 4.0 ft (1.22 m) with averaged assays of 1.44 oz/ton (49.35 g/t) gold.

The Company is currently waiting for assays from six core drill holes which commenced in Oct. of 2020 and completed to date. Due to extensive industry assay work in calendar 2020 and ongoing, Reno labs are backlogged.

The figure below indicates the relationship between the overall ICN core drilling, high-grade gold intercepts, underground workings, the Church shaft, January/Whiterock shaft, the Church Raise Zone and our planned area of definition drilling. Geologic modeling to date has identified what may prove to be a robust production area. Our drilling phase will determine the accuracy of that modeling.

Fig. 2. ICN Drill Holes and Planned drilling

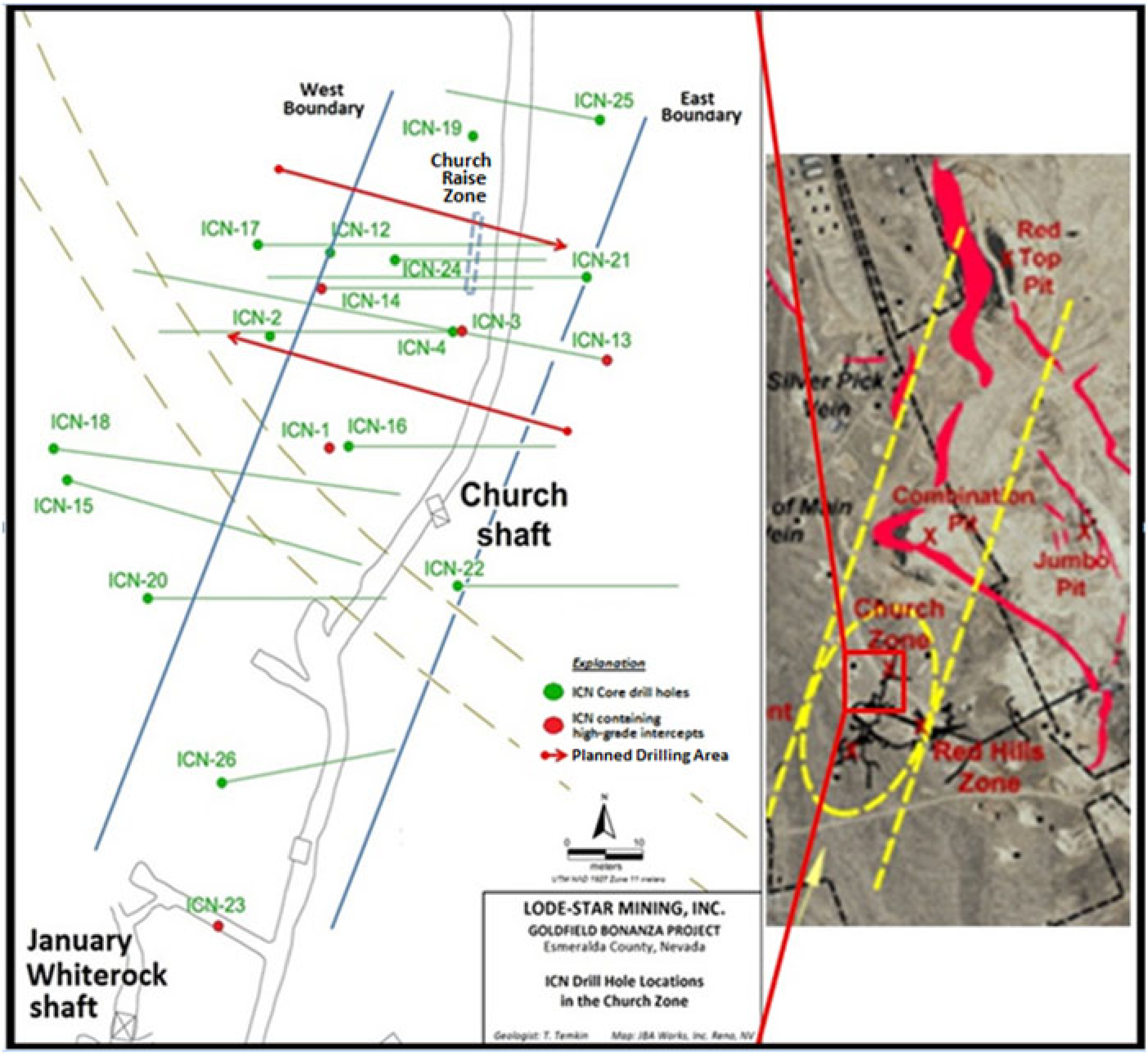
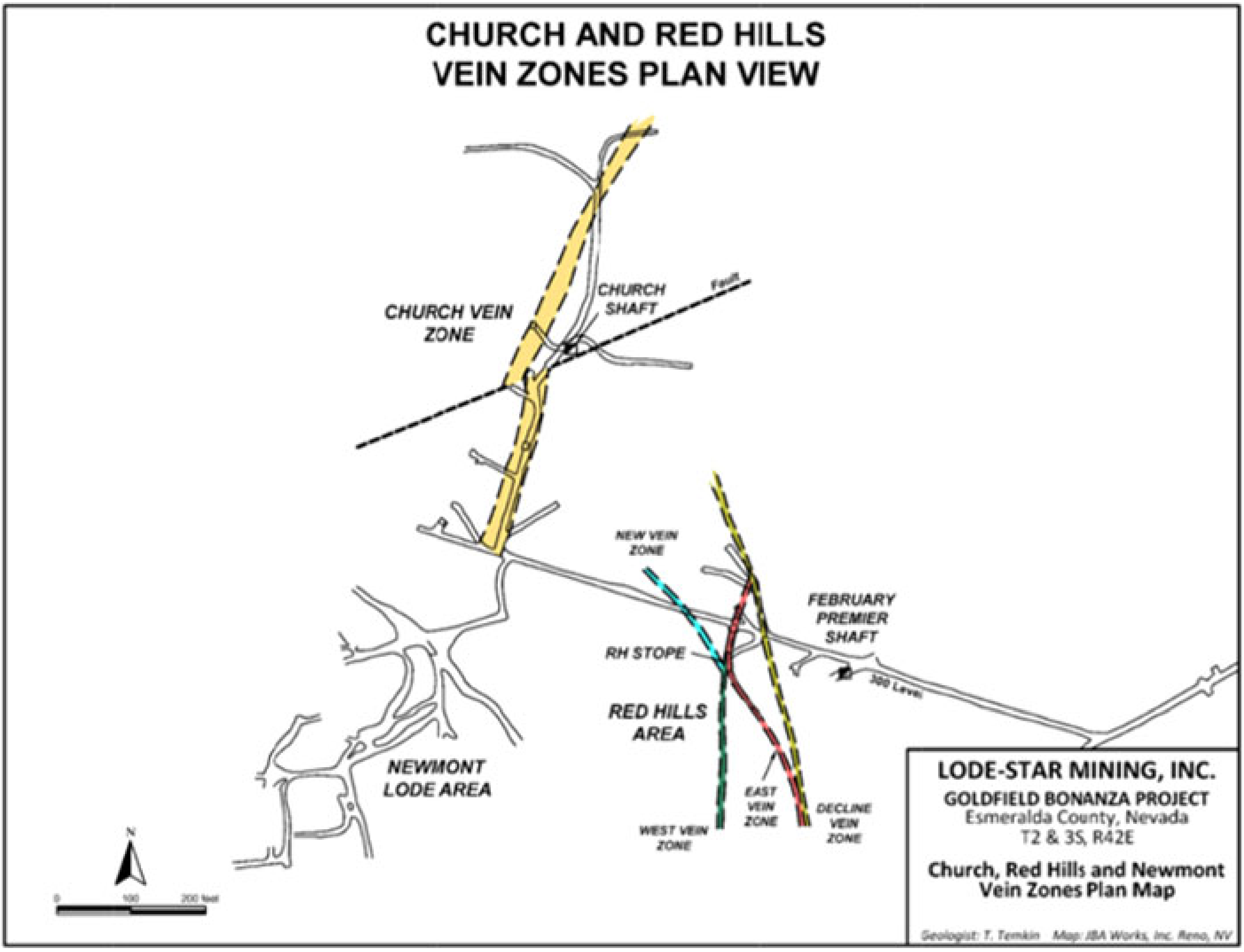


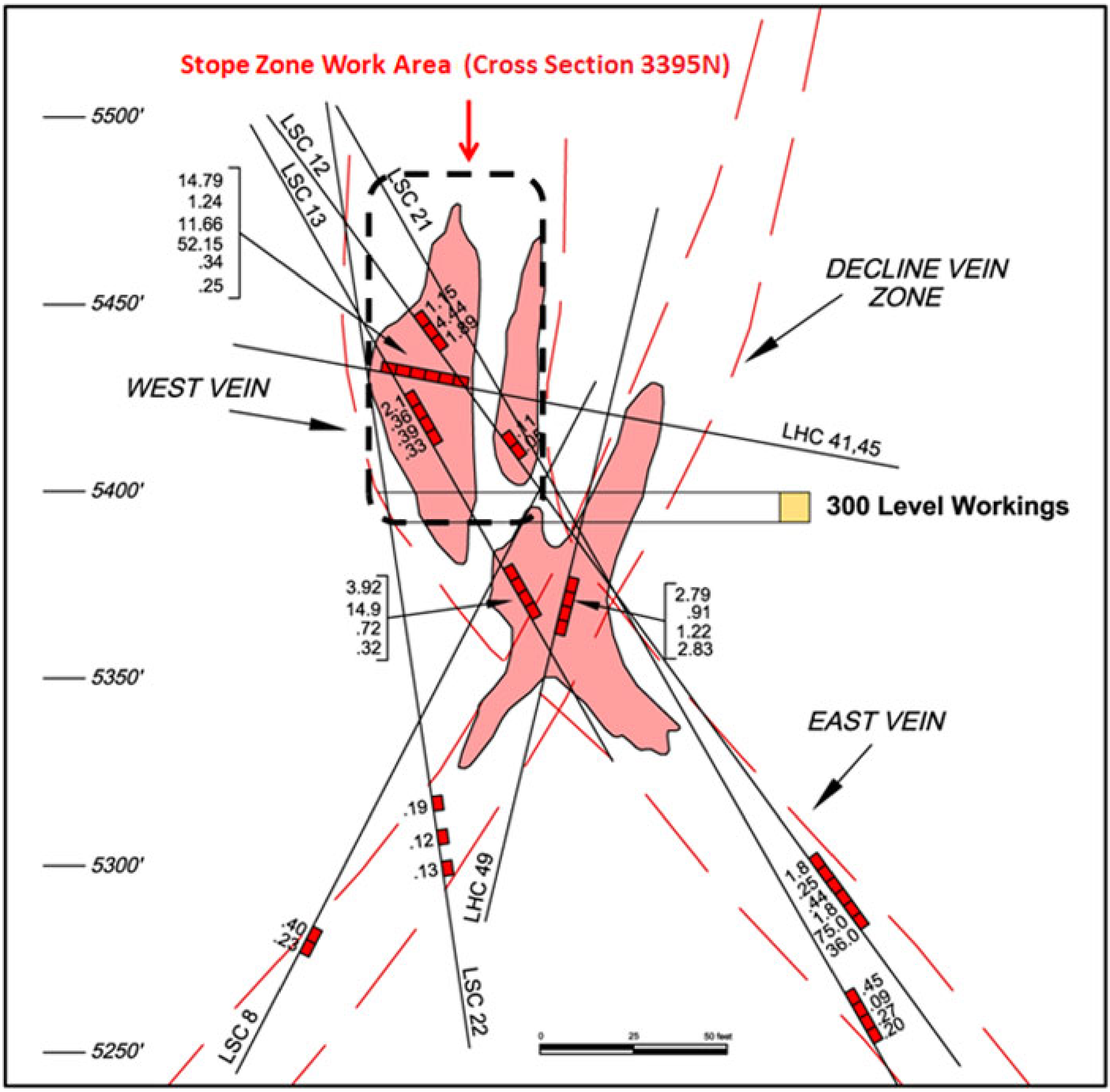
Fig. 3. - Church and Red Hills Area Vein Zones are the two high-grade gold-bearing zones that we expect to yield high-grade gold concentrations.



Red Hills Vein System - Priority 1.

Two major vein zones exist in the Red Hills area, including the Stope veins and the Decline vein (see Fig. 3 above). The respective names refer to the nature of brief mining conducted previously in these areas. As further defined through LSG's drilling to date, the area referred to as the Stope Veins is comprised of two intersecting vein-filled faults, including the West vein zone and the East vein zone with a third vein delineation called the New Vein Zone . The average width of each of these vein zones is approximately three feet. Drilling to date suggests the West vein zone to be essentially vertical and near parallel to the East vein zone. The Decline vein zone is also shown on Fig. 3, as a north-northwest trending zone. Drilling on the Decline vein zone indicates a generally westerly dipping feature with an average width of several feet. To date, drilling and mine development has yielded very encouraging gold values within each of the vein zones described above. As shown on Figures 4 and 5 on the following page, several high-grade drill intercepts have been encountered with values up to 75.0 oz/ton gold (East vein zone). Drilling indicates each of these vein zones to be open along strike and at depth.

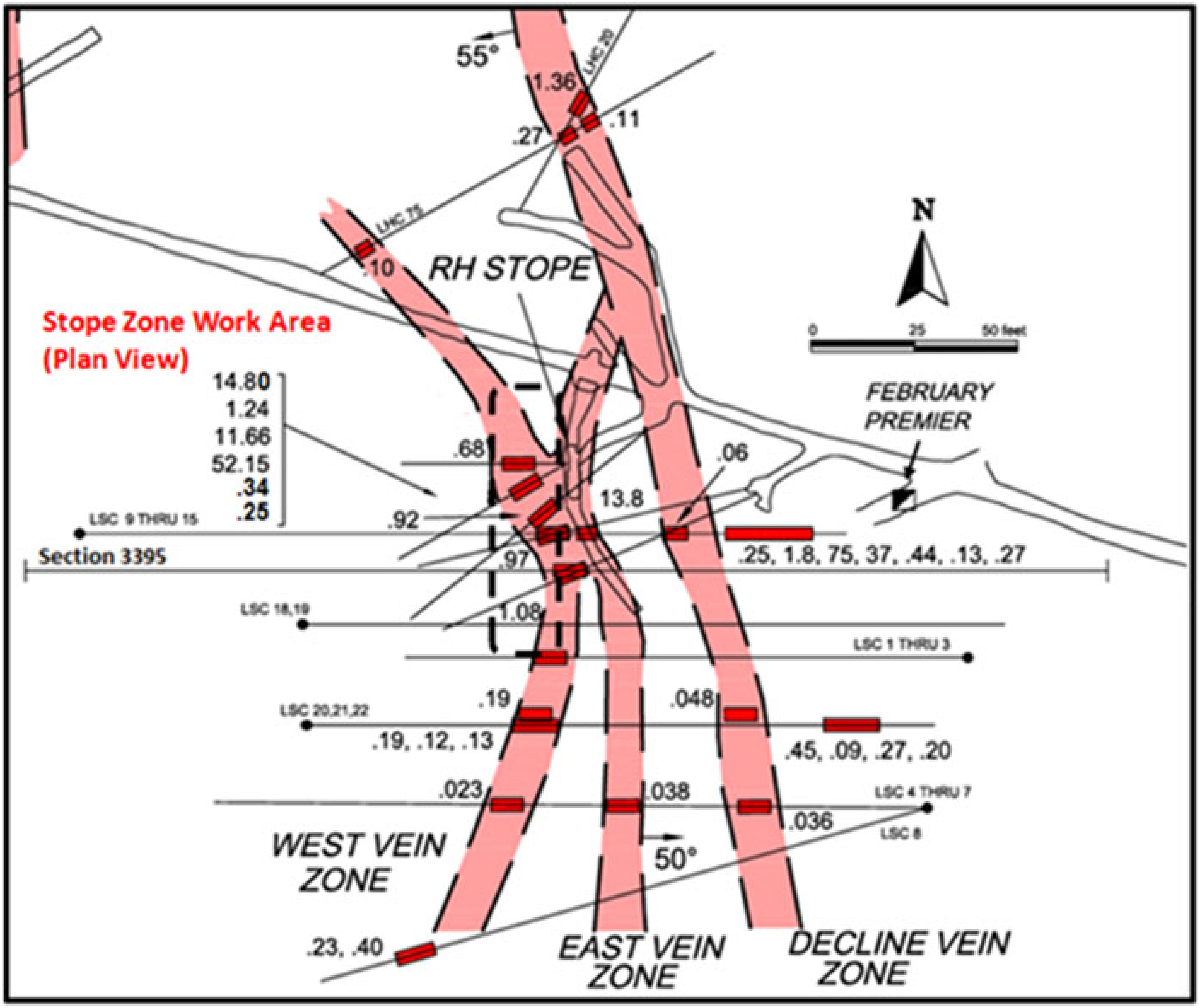
Fig. 4. - Red Hills Vein Zones Composite Cross Section



ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Continued)*

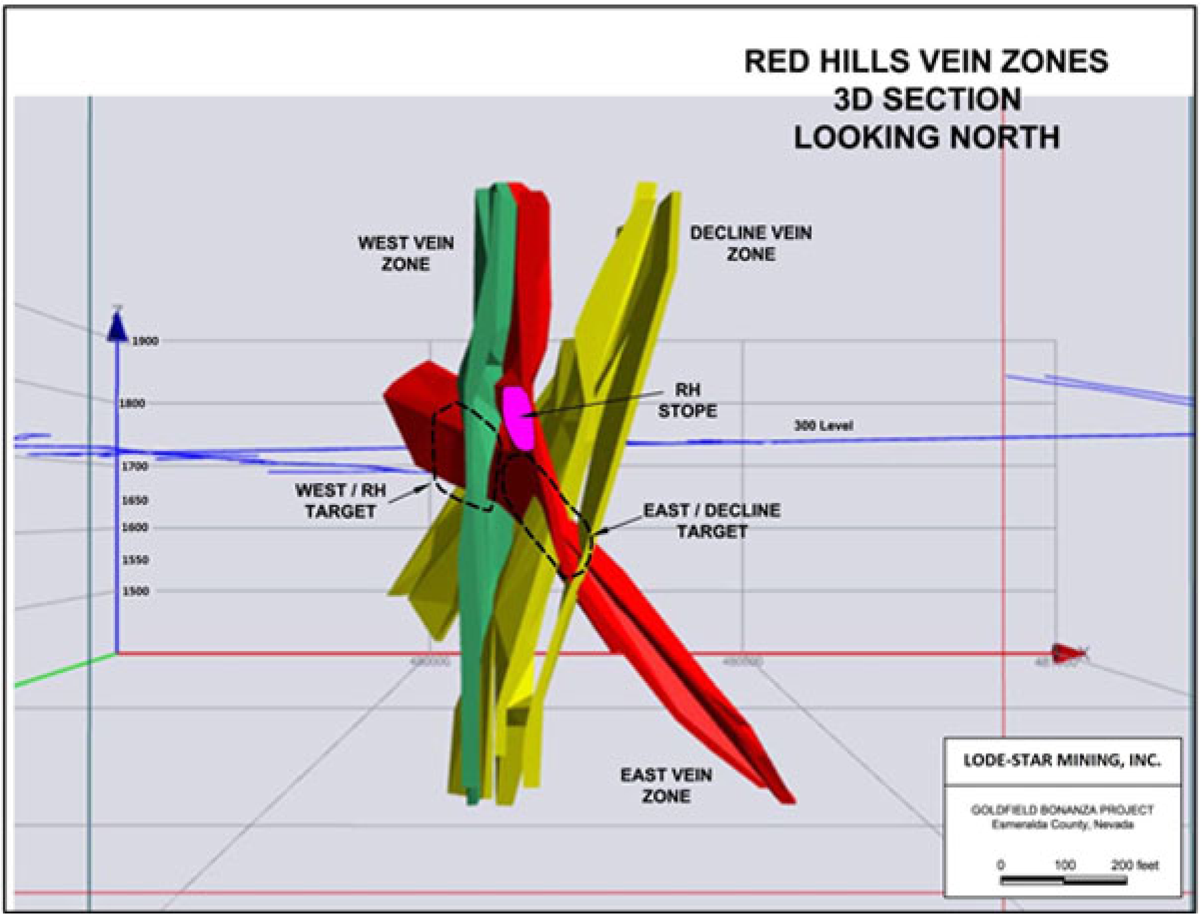
Two readily obvious targets where high-grade gold in excess of 1.0 ounce of gold per ton has been intersected is shown on Figure 5 below with dashed outlines. Some drill holes have been combined with their respective actual values for sake of clarity. Additionally, each of these vein zones appear to be open to the north, to the south, and to depth.

Fig. 5. - Red Hills Vein Zones Plan View



A 3-D depiction, (Fig. 6 below), of the three identified vein zones within the Red Hills shows the complex nature of their intersecting relationship. This complex intersection of the three vein components provides several locations where high-grade gold concentrations are identified.

Fig. 6. - 3D Section of the Red Hills Vein Zones



Red Hills Zone Summary

The drilling of this resource area was performed by LSG from 2000 to 2006 and assaying was performed by ALS Chemex. All activity was performed prior to the company's need to have the drilling be resource NI 43-101 compliant. Mine Development Associates has audited LSG's drilling data base and concluded analyses of drill-sample pulps compared well with the original database gold analyses at grades relevant to the potential underground mining scenario at Red Hills.

We assume the zone contains 10,000 ounces of AU (This assumption is non-NI 43-101 compliant). Historic underground mining was executed by chasing veins that yielded pockets of high-grade gold production. LSM is following the same method and chasing its known high-grade gold-bearing veins. LSM's initial mining stage in the Red Hills area will extract mineralized material from the currently exposed Stope Vein Zone, and the Decline Vein Zone on the 300-foot mine level. Mining dimensions in the Stope Zone are expected to be an average up to 4 feet wide, approximately 80 feet upwards and 100 feet along strike. The mining in the Decline will achieve mineralized material extraction while developing access to lower levels. Eventually the gold mineralization below the 300-foot level in both the Stope and Decline Vein Zones will be removed through the development of a downward spiral ramping approach, ultimately accessing mining depths to approximately the 450-foot mine level.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Continued)*

Church Vein Zone - Priority 2.

Based on the success and encouragement realized through drilling conducted by Trafalgar in 1982 and Westley in 1985, and further success through follow-up drilling by LSG and ICN to date, a vein zone measuring up to 40 feet in width and trending at least 600 feet north-northeasterly, exists immediately west of the Church shaft (fig. 6 below).

Our interpretation of drilling to date indicates this vein zone, which is comprised of numerous individual veins up to several inches in width each, to be a steeply westerly-dipping feature, with several intercepts of high-grade gold exceeding 1.0 ounce of gold per ton. Areas highlighted in red on figures 7 and 8 display interpreted orientation of repeated vein sets based on drill intercepts. Figure 7 also shows the high priority drill targets we are currently drilling to yield additional high-grade gold concentrations in the Church Vein zone. The nearly 200-foot vertical interval between the 100-level gold mineralization and the 300-level gold mineralization is a high priority target, as are the extensions to the north and south, and down-dip from the 300-level workings.

As seen in red in Fig. 7. below, the Company has executed 6 core holes definition drilling of 6 core holes. Total drilling do date is approximately 1500 ft. We are awaiting assay results to plan our next series of drill holes.

Also shown on Fig. 7. is the approximate location of the Church Raise Zone.

Fig. 7 - Church Vein Zones and Decline Vein Zone

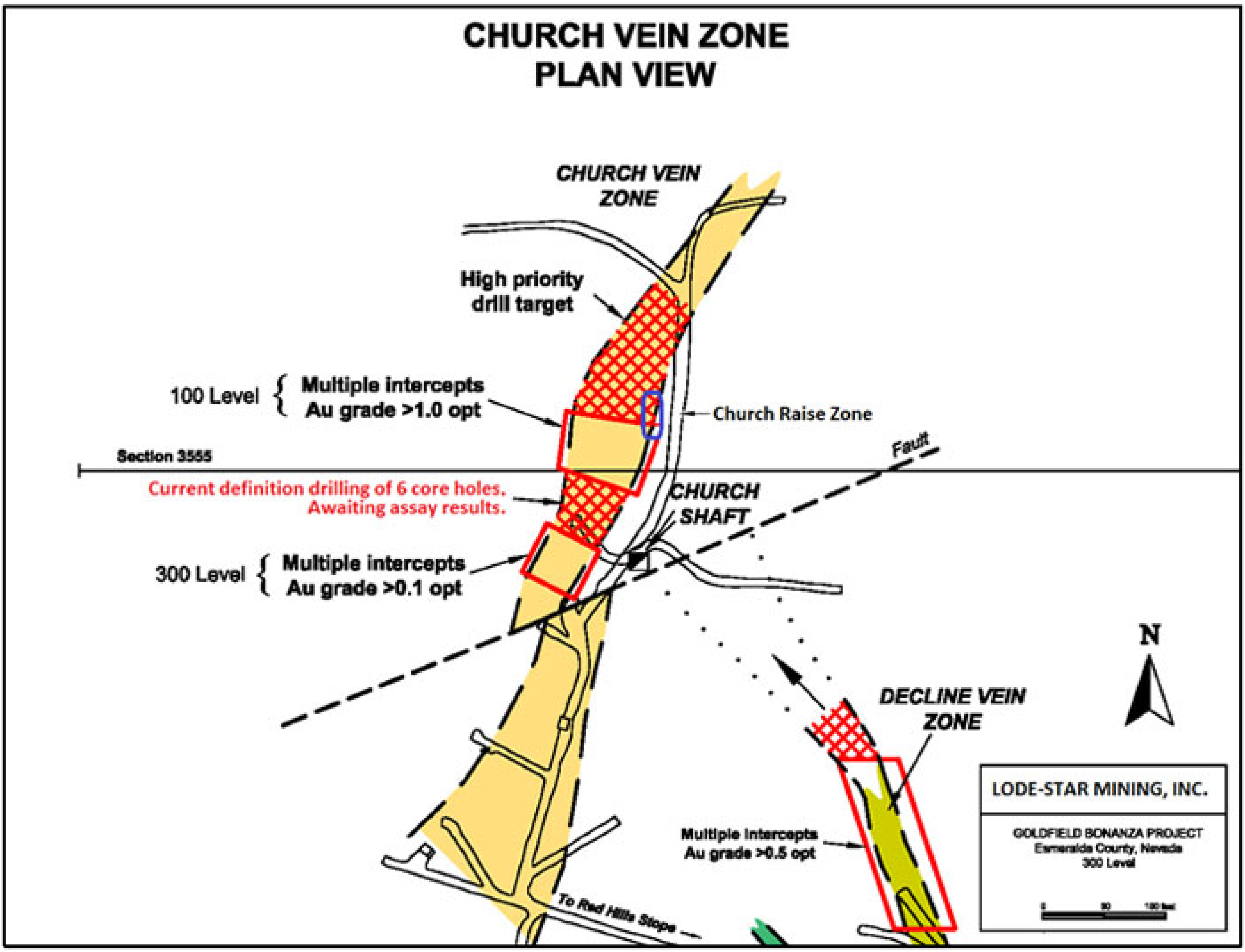
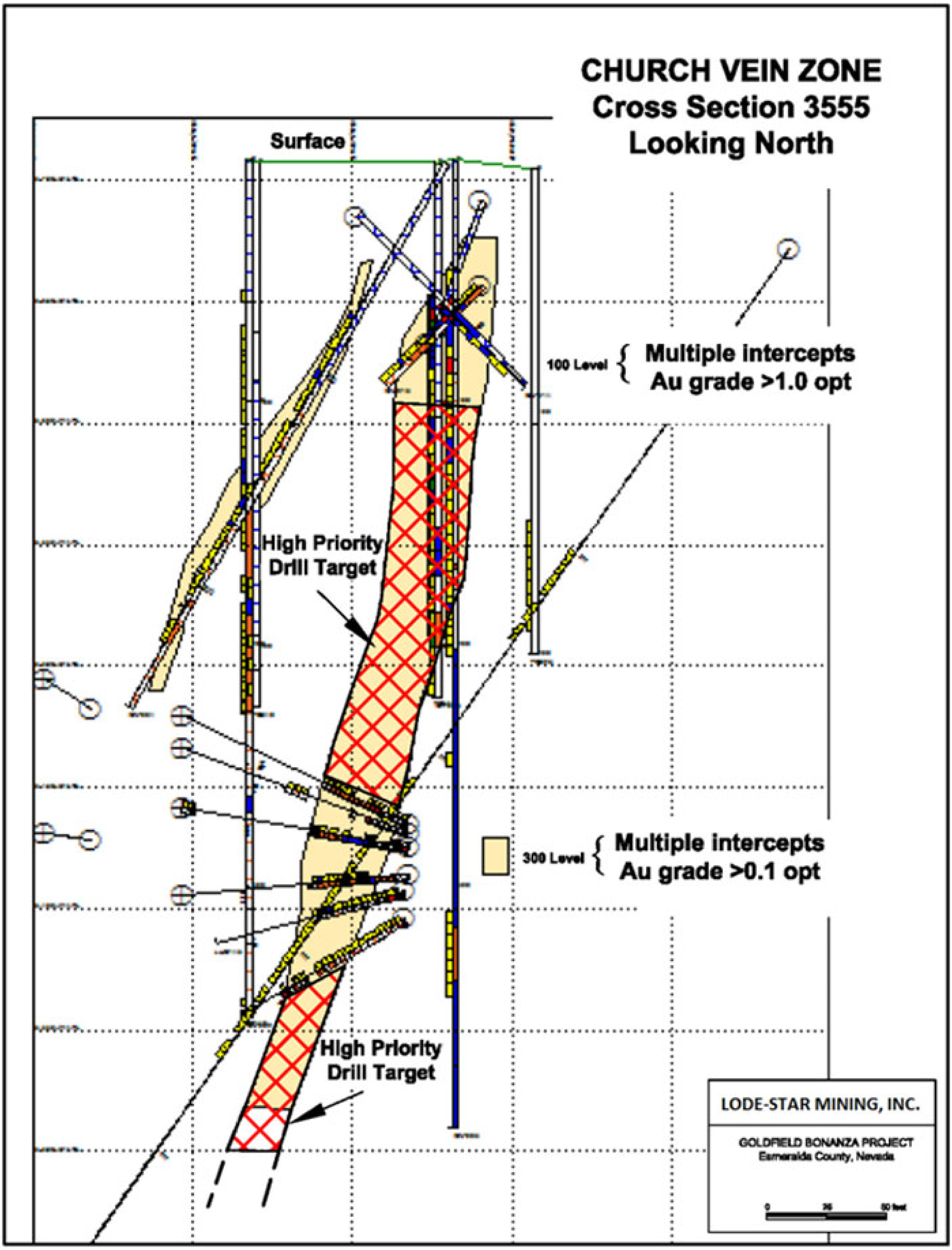


Figure 8 - Cross Section of Church Vein Zone at Section 3555



ICN Resources Drilling

ICN Resources acquired control of the property in March 2011. During that year ICN drilled 26 core holes for a total of 5,795 ft (1,767 m) and an additional 63 RC holes for a total of 27,470 ft (8,375 m). The core holes (hole ID prefixed with "ICN-") were drilled largely in the Church Zone and the RC holes (hole ID prefixed with "ICR-") were utilized to test other exploration targets throughout the property.

The third core hole, ICN-003, returned a weighted-average intercept of 9.5 ft (2.90 m) that assayed 40.8 oz/ton (1.4 kg/t) gold. Eleven holes were then drilled around the ICN-003 discovery hole within a 100 meter by 150-meter area. Additional extraordinary high-grade intercepts included 4.5 ft (1.37 m) in ICN-013 that assayed 51.46 oz/ton (1.76 kg) gold, and a weighted average of 9.5 ft (2.9 m) in ICN-014 that averaged 26.8 oz/ton (918.0 g/t) gold. The next highest-grade intervals are 4 ft (1.22 m) in ICN-023 that averaged 1.46 oz/ton (50 g/t) and 3 ft (.91 m) in ICN-024 that assayed .802 oz/ton (27.5 g/t). All of these high-grade intercepts lie along the same north-northeast structural trend, which also falls in the broader NE corridor of mineralization. See the table below for drill hole intercepts greater or equal to 0.5 oz/ton (17.14 g/t).

ICN's core drilling showed that the Church Zone is covered by as little as 55 ft (16.9 m) of post-mineral cover. The zone remains open along strike and down-dip and falls within the NE Corridor as defined by mineralization and geophysics.

The RC drilling program was designed to test four areas. Most of the work was focused on the 600-foot (183 m) strike length of the NE Corridor between the Church Zone and the Combination Pit. Six holes were drilled to test the January area, immediately west of the Combination Pit. An additional 19 holes were drilled to test mineralized zones noted by prior exploration programs in the northeastern portion of the claim block, including the Sheets-Ish Silver Pick and Phelan Shaft areas. Five holes were located in the Newmont Lode area to test extensions of known mineralization.

Drilling in the NE Corridor (away from the Church Zone) showed that the structure and alteration persist throughout, and that attractive gold mineralization is present. Numerous lower grade intercepts were encountered, which contained shorter high-grade intervals. The degree of silicification, quartz veining and fracturing in these intercepts indicates that the lower grade intercepts may represent halos to higher grade mineralization. Additional drilling will be required to better delineate these mineralized zones.

ICN Resources Drill Intercepts Greater or Equal To 0.5 oz/ton (17.14 g/t)

Intervals greater than 1.0 oz/ton (34.29 g/t) are in bold.

Hole ID	From m	To m	From ft	To ft	Length ft	Au g/t	Au oz/ton
ICN-001	59.7	60.7	196.0	199.0	3.0	23.2	0.677
ICN-001	60.7	61.6	199.0	202.0	3.0	215.7	**6.290**
ICN-003	16.9	19.8	55.5	65.0	9.5	1398.6	**40.793**
Incl.	16.9	18.6	55.5	61.0	5.5	547.3	**15.963**
Incl.	18.6	19.8	61.0	65.0	4.0	2569.2	**74.935**
ICN-003	24.8	26.8	81.5	88.0	6.5	57.1	**1.665**
ICN-008	94.5	95.3	310.0	312.5	2.5	183.6	**5.355**
ICN-013	28.0	29.4	92.0	96.5	4.5	1,764.2	**51.455**
ICN-014	25.1	26.1	82.5	85.5	3.0	181.9	**5.306**
ICN-014	27.0	28.0	88.5	92.0	3.5	2,332.0	**68.018**
ICN-015	66.4	67.2	218.0	220.5	2.5	24.5	0.714
ICN-018	57.9	59.4	190.0	195.0	5.0	23.5	0.684
ICN-023	64.3	64.9	211.0	213.0	2.0	61.6	**1.798**
ICN-023	64.9	65.5	213.0	215.0	2.0	37.1	**1.081**
ICN-024	24.1	25.0	79.0	82.0	3.0	27.6	0.805

ICN Resources Drill Intercepts Greater or Equal To 0.5 oz/ton (17.14 g/t) (Continued)

Intervals greater than 1.0 oz/ton (34.29 g/t) are in bold.

ICN Resources rotary-reverse circulation							
ICR-003	18.3	19.8	60.0	65.0	5.0	39.0	**1.138**
ICR-003	19.8	21.3	65.0	70.0	5.0	21.7	0.633
ICR-003	39.6	41.1	130.0	135.0	5.0	17.2	0.502
ICR-003	59.4	61.0	195.0	200.0	5.0	19.0	0.554
ICR-031	105.2	106.7	345.0	350.0	5.0	17.3	0.505
ICR-032	64.0	65.5	210.0	215.0	5.0	18.2	0.530
ICR-044	12.2	13.7	40.0	45.0	5.0	28.3	0.826

GOLD MINERALIZATION and ALTERATION

Goldfield is one of the most prominent North American examples of the epithermal subclass classification known as high-sulfidation (or alunite-gold) deposits. This type of deposit is characterized by intense pyritization and low-pH, acid-sulfate hydrothermal alteration of the volcanic host rocks. Gold mineralization occurs in brecciated, quartz-alunite vein-filled faults and fractures. Individual veined zones are typically one to three feet in total width and are characterized by a clustering of several smaller veins up to three inches in width each. Gold deposition has been dated (using isotopes) as occurring 22 to 18 million years ago (Silberman, 1985). Fluid inclusion and oxygen isotope data from several locations within the district indicate an ore deposition temperature ranging from 200 to 2900 degrees C.

Host rocks surrounding the brecciated quartz-alunite-filled faults and fractures typically display a near-symmetrical pattern of three successive hydrothermal alteration zones. The gold-bearing veined zones containing predominantly quartz, alunite and pyrite, invariably are surrounded by strongly developed silicification (silica replacement of host rock). An advanced argillic zone enveloping the silicification is characterized by the presence of alunite, kaolinite, pyrite, quartz and montmorillonite, which further grades into a more regional propylitic alteration zone containing calcite, chlorite, and pyrite. Widespread intense hydrothermal alteration often makes it difficult to trace individual volcanic units.

HIGH-GRADE GOLD OCCURRENCES

The Goldfield mining district has recorded production of more than 4.2 million ounces of gold and 1.5 million ounces of silver. Production in the district generally has been limited to an area about one mile (east-west) by about one and one-half mile (north-south).

High-grade gold ores (>1.0 oz/ton) typically occur as breccia-matrix and open-space vug fillings within a series of banded quartz-alunite veins, surrounded by pervasively silicified zones that often contain lower-grade gold (>0.05 oz/ton). From 1903 to 1925, about fifteen individual high-grade ore bodies averaging 100,000 tons and yielding 100,000 to 500,000 ounces of gold each were mined from the veins in the immediate vicinity of the Apex of the Main Vein at the Combination pit. Typical dimensions of these ore bodies are approximately 200 feet along strike, 300 feet on dip, and up to 20 feet in width. Of the total tonnage, high-grade ores accounted for 51% mined. The average grade of total gold produced during this period was 1.13 ounces per ton; 96% of total gold produced had an average grade greater than 1 ounce per ton, while 39% of total gold produced had an average grade of 2.9 ounces per ton. The cutoff grade in the district was 0.25 ounces of gold per ton. The majority (75% to 80%) of the district's gold production occurred from depths of 600 feet or less. The deepest ores mined at Goldfield were 1,900 feet below the surface and approximately 2,500 feet downdip from the apex of the lode.

Unoxidized ore, formed as cavity fillings in brecciated veins, consists of varying proportions of native gold and gold tellurides including calaverite and goldfieldite, as well as sulfosalt minerals including bismuthinite and famatinite, each of which are associated with high-grade gold.

Geophysics

CSAMT

In 2008, Lode-Star Gold contracted Zonge Geophysics to carry out an orientation CSAMT (controlled source, audio-frequency magneto-telluric) survey. The objective was to determine the effectiveness of this technique in detecting resistivity variations that correlate with known gold-bearing quartz vein zones. Five east-west lines were run across the Church-Red Hills-Newmont Zone area for a total of 1.7 line miles (2.7km) of coverage. The results clearly defined several pronounced resistivity gradients with patterns associated with aforementioned areas of known gold mineralization.

In February 2012, ICN contracted Zonge Geophysics to carry out a similar CSAMT survey which covered nearly all of the Goldfield Bonanza property. It included 32 lines for a total of 10.6 line-miles (17 line-kilometers). The survey data was acquired using 30-meter (100 ft) receiver dipoles in spreads of six down-line electric field dipoles with two magnetic field measurements taken per spread in the broadside mode of operation. The signal source was a Zonge GGT-30 constant current transmitter. Survey control was maintained using a Trimble PRO-XRS GPS receiver.

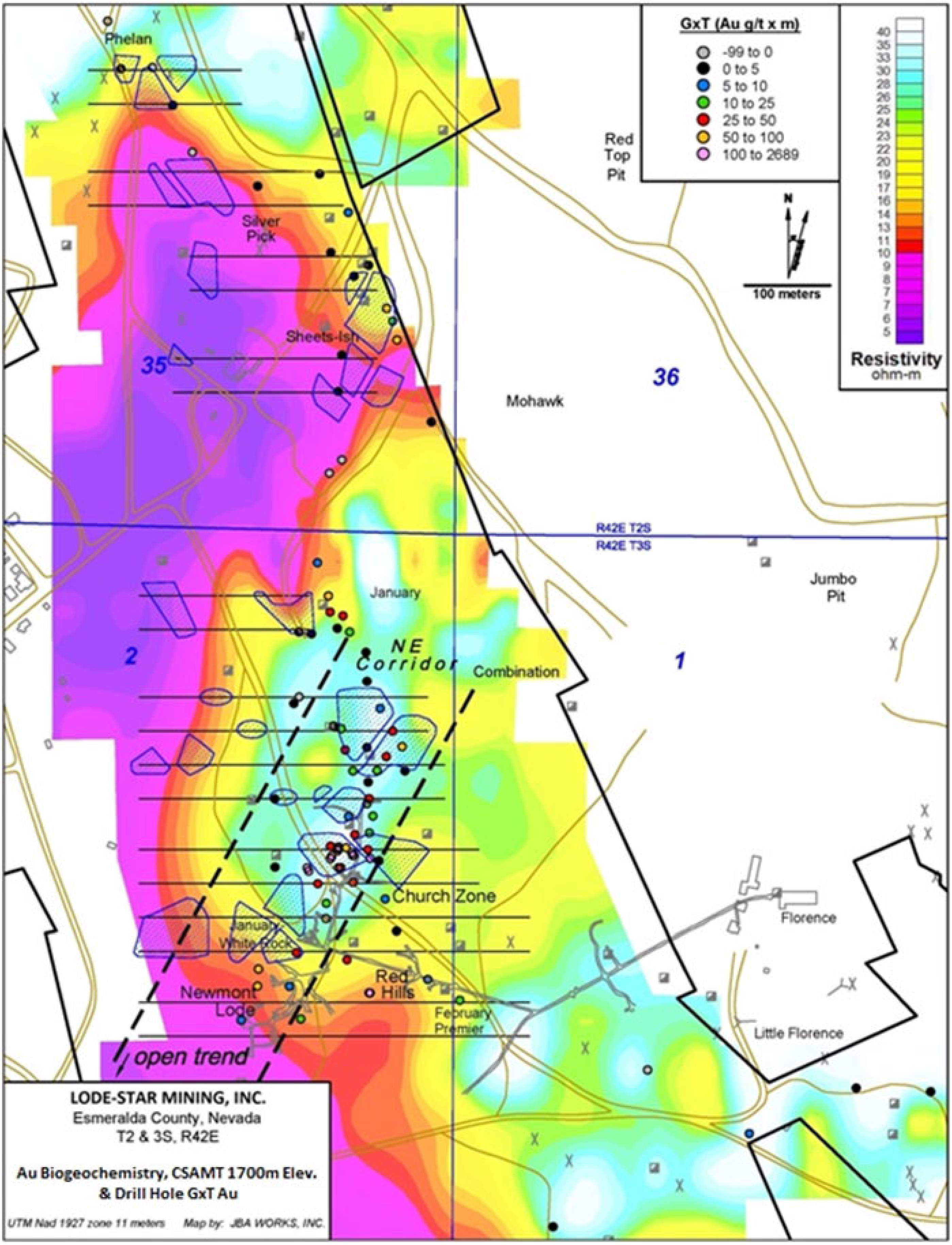
Figure 9 below displays the results of the property-wide survey. Overlain on the CSAMT is drilling in the Northeast Corridor with drill hole assays presented as calculated grade X thickness (GxT) values. There is a clear association of CSAMT resistivity highs with high gold assays from these drill holes, occurring in highly silicified areas. Also shown on figure 8, the biogeochemical survey anomalies are overlain on the CSAMT results, indicating close correlation with high resistivity values. The biogeochemistry patterns are discussed further in the Biogeochemistry section below.

The main NE Corridor is defined by a major break in the CSAMT data. This break is directly indicative of significant northwest and northeast oriented structures at depth, some of which have been observed in underground exposures and interpreted through drilling. The potential significance of the CSAMT break is demonstrated by the drill holes in and around the Newmont Lode in the southern portion of the grid.

Holes in this area are weakly to strongly gold mineralized, suggesting that further drill testing southwest along this break is warranted.

In addition, the mineralization trending northwesterly in the Sheets-Ish, Silver Pick, Phelan area is shown to hug the sharp Northwest break in the CSAMT response. Thus, the better gold grades seem to follow the margins of the CSAMT highs. The principal conclusion was that the general exploration model was verified – "Main District style" high-grade gold mineralization is, in fact, localized beneath the post-mineral cover below the Lode-Star Gold claim block.

Figure 9 - Geophysics & Biochemistry Anomalies w/ GxT Drill Assays



ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Continued)*

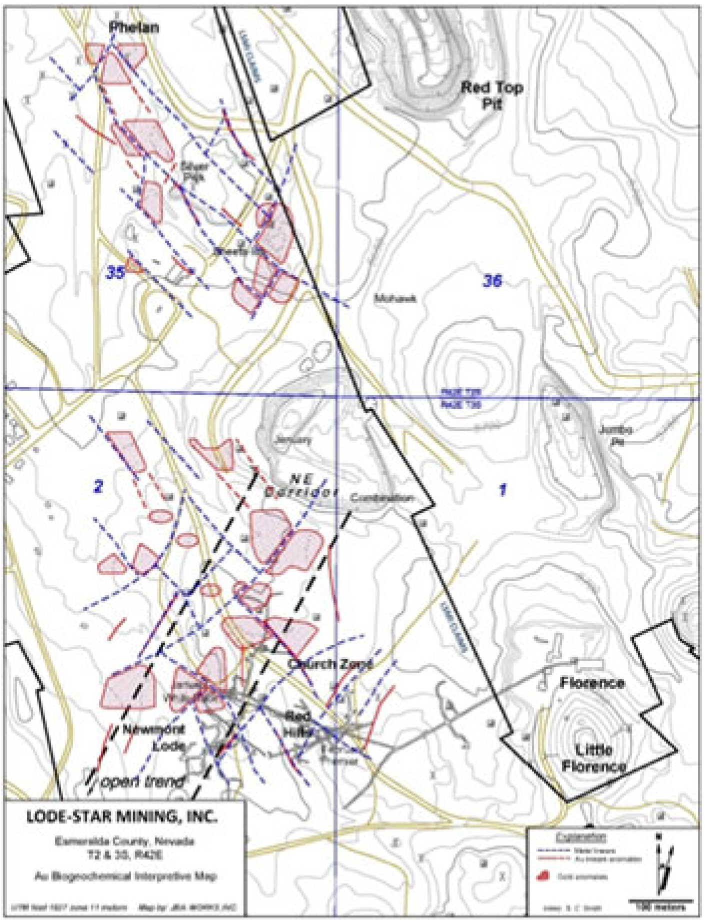
Biogeochemistry

Conventional surface sampling of outcrops and soils on the Lode-Star claims is not useful due to poor exposures and contamination by waste dumps and tailings. However, biogeochemical sampling has been shown to be effective in indicating areas of anomalous gold and other gold-related trace metal values below the Seibert gravels.

In August 2011, ICN personnel sampled rabbit brush in an area measuring approximately 4000 feet (1200 m) by 2000 feet (600 m) in the northern and central portions of the property, including in the Silver Pick shaft area and in the NE Corridor target area. The program was designed, and the data interpreted by Shea Clark Smith of Minerals Exploration & Environmental Geochemistry (Smith, 2012). Large areas that are defined by gold concentrations from 2 – 60 ppb are significant and attest to the volume (and possibly grade) of mineralized rock in contact with groundwater in these areas. Smith states that metal uptake in rabbit brush is not overwhelmed by mineralized dust that might have masked the metal concentrations in plant tissues of less well endowed (by gold) areas.

The Figure to the right displays the gold-mineralized areas indicated by the biogeochemical data. The anomalies cluster in areas of historically mined mineralization near the Phelan, Sheets-Ish and Silver Pick shafts. Most importantly multiple clusters occur in the Northeast Corridor area, which includes the Newmont Lode and especially the Church Zone. Of particular note is the cluster of anomalies that exist to the northwest of the NE Corridor, correlating closely with interpreted northwest-trending structures. Thus, the biogeochemical data confirms the conclusions from drilling and underground geologic work as shown on Figure 8 above. Overall the biogeochemical anomalies were found in four areas of the property that have had no drilling, as follows:

Figure 10
Biogeochemical Interpretive Map



1. the area immediately east of the Church Zone coinciding with a CSAMT anomaly;

2. several grouped anomalies immediately northwest of the Newmont Lode and the January-Whiterock shaft;

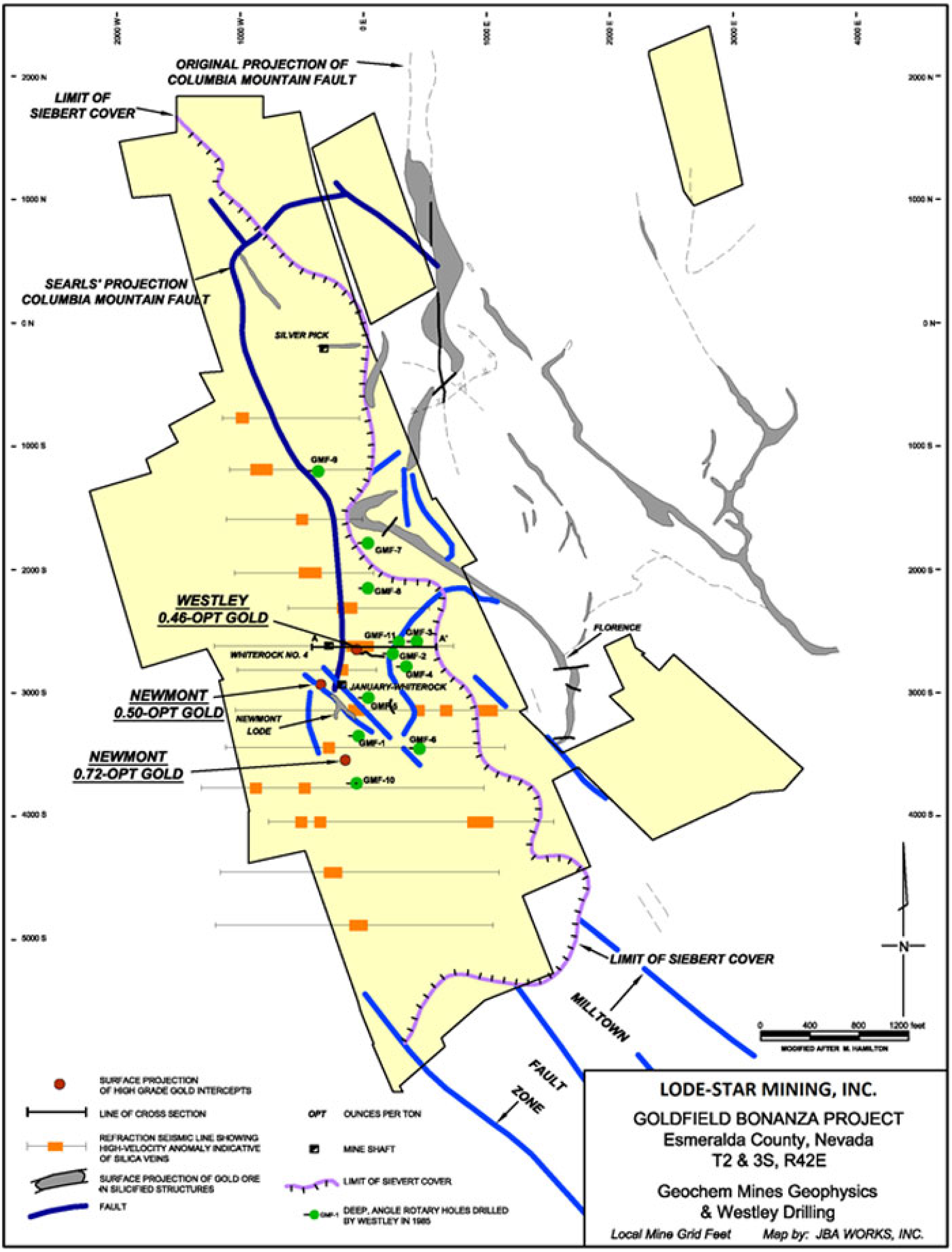
3. a northwest trending series of anomalies extending 400 meters to the northwest of the Church discovery zone; and,

4. three separate anomalies located to the west of the Silver Pick shaft and to the east of the Phelan shaft in the northern portion of the claim group. In general, all of the drill holes with anomalous gold values fall within biogeochemical anomalies and all those holes with no significant gold intercepts are outside the biogeochemical anomalies.

Seismic Survey

In 1980 Trafalgar Mines contracted Cooksley Geophysics to conduct a refraction seismic survey over a small area in the Church zone. This survey delineated several shallow silica ledges which were confirmed by drilling to be gold bearing. Westley Mines leased the property during 1985. They contracted Dr. McWilliams, a professor at Stanford, to conduct a more extensive refraction seismic survey. Thirteen east-west lines were run at approximately a 400-foot (122m) spacing covering an area from about 600 feet (183m) south of the Silver Pick shaft to 2000 feet (610m) south of the January-Whiterock shaft. This work delineated silicified zones and ledges which are interpreted to have horizontal thicknesses of up to 200 feet (61 m) and varying lengths. See Fig. 10 below.

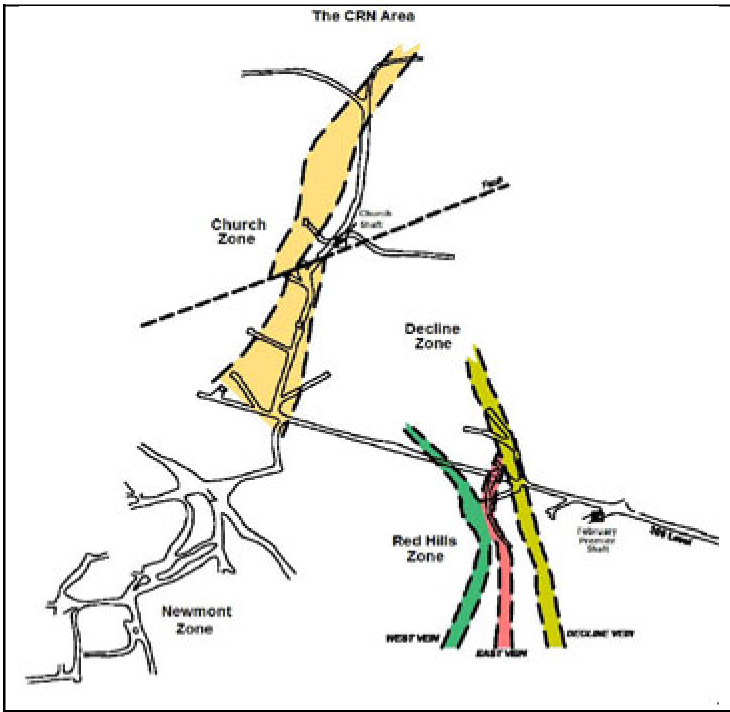
Figure 11 - Seismic Survey Anomalies



Mine Development - Drilling the Northeast Corridor

The Company's immediate drill program is to define its existing and mineable Gold mineralization within the northeast corridor. See Fig. 13. Specifically, the Church, Red Hills/Decline and Newmont Zones, referred to as the CRN Area. Current drill budget is US$1,800,000 plus $200,000 in analytical fees. Combined total cost: US$2,000,000. To date the Company has commenced definition drilling in the Church Zone. Approximately 1500 ft of core drilling has been executed at a price of roughly $100,000. All the costs for drilling have been paid by the Company's largest shareholder Lode Star Gold, INC

Fig. 12 Immediate Drill Program Area



Red Hills, Decline Zone:

The Company is planning for 6,000 combined feet of deep core drilling for the Red Hills and Decline Zone.

Anticipated Cost $400,000. See Table 11a.

Church Zone:

The Company has commenced its 6,400 combined feet of drilling for the Church Zone with approximate 1500 feet drilled to date

Anticipated Cost $400,000 See Table 11b.

Newmont Zone:

Future planning for an initial 22,200 combined feet of surface drilling in the Newmont Zone.

Anticipated Cost (Surface) $1,000,000 See Table 11c.

<u>Phase 1</u>

Table 12a. - Red Hills / Decline Zone Drilling Budget

Red Hills Surface	Hole Depth	$/ft	Cost/Hole	# of Holes	Cost	TTl ft Drilled
Core Drilling	1000 avg.	60.00	$ 60,000	6	$ 360,000	6,000
Contingency					$ 40,000	
Total Budget				**6**	**$ 400,000**	**6,000**

Sample Prep., Assays, CSAMT interpretation and third-party verification of the drilling results are expected to add a cost of approximately **$100,000**.

Table 12b. - Church Zone Drilling Budget

Church Zone Surface	Hole Depth	$/ft	Cost/Hole	# of Holes	Price	TTl ft Drilled
Core Drilling	300	50.00	$ 15,000	8	$ 120,000	2,400
Core Drilling	1000	60.00	$ 60,000	4	$ 240,000	4,000
Contingency					$ 40,000	
Total Budget				**12**	**$ 400,000**	**6,400**

Sample Prep., Assays, CSAMT interpretation and third-party verification of the drilling results are expected to add a cost of approximately **$100,000**.

<u>Phase 2</u>

Table 12c. - Newmont Zone Surface Drilling Budget (Planned)

Newmont Zone Surface	Hole Depth	$/ft	Cost/Hole	# of Holes	Price	TTl ft Drilled
RC Drilling	1000	38.00	$ 38,000	10	$ 380,000	10,000
RC Drilling	500	38.00	$ 19,500	10	$ 190,000	5,000
Core Drilling	1000	60.00	$ 60,000	4	$ 240,000	4,000
Core Drilling	400	50.00	$ 20,000	8	$ 160,000	3,200
Contingency					$ 30,000	
Surface Budget				**32**	**$ 1,000,000**	**22,200**

Sample Prep., Assays, CSAMT interpretation and third-party verification of the drilling results are expected to add a cost of approximately $200,000.

Underground Budget	**Newmont Underground - Yet to be Determined**	**Unplanned**	

Total for **<u>Phase 1</u>** planned step-out drilling **– Red Hills/Decline Zone and Church Zone**

Combined 12a & 12b	**Drilling**	**$800,000**	
	Analytical Fees	**$200,000**	
Total		**$1,000,000**	

Underground mining in the Red Hills area will extract ore on the 300-level and raise to higher levels. The Company has continued its mine development and we plan to initially mine 10,000 tons of material at a rate of approximately 50 tons per day. On-going development has identified several additional areas where tonnage will be added.

We have a $5.0 million exploration and mine development program that will be focused on defining and mining of the Property's gold mineralization; advance the geologic modeling for continued mining; and bulk sampling of the Project's current underground workings as well as for working capital purposes.

Funding

Details of the development program are as follows:

Item	Major Categories	Cost
1.	Equipment & Mining Materials	$275,000
2.	Secondary Escape & Second Production Shaft	$1 million
3.	Red Hills/Stope & Decline Vein Zones Mining	$860,000
4.	Drilling the Northeast Corridor	$2 million
5.	Corporate & General Admin.	$865,000
	Total	**$5 million**

Line items 1, 2, 3 and 5 above, totaling $3.0 million are required for bulk sampling of the Property's current workings.

Line item 4 accounts for the Development Drilling totaling $2.0 million required to fully assess the Northeast Corridor.

The estimates above are for planning purposes only. No information contained herein should be considered an official corporate offering. The application of funds shown above is an estimate and may not exactly match the actual future costs.

Future Exploration Targets

Target Area 1.

North-south oriented CSAMT gradient that indicates extension of the known high-grade gold in the Red Hills Vein Zone.

Target Area 2.

Several Refractive Seismic responses along a north-northwest oriented alignment, suggesting the existence of one (or more) siliceous zones, likely below the 1,700 meter search horizon.

The pronounced south-pointing protruding gradient at the south end of this linear, which is similar to the northeast pointing gradient in the Red Hills. This is indicative of the existence of a siliceous zone.

Target Area 3.

A major northwest oriented CSAMT gradient trending similar to numerous historic ore zones in the main district (note the repeated spacing of the prominent NW historic ore zones).

Intersection of this northwest oriented gradient with the southern projection of the NE Corridor, that correlates with the existence of biogeochemical anomalies.

Target Area 4.

A north-northeast oriented CSAMT gradient adjacent to the NE Corridor with coincident Refractive Seismic responses and biogeochemical anomalies.

A sharp embayment and protruding CSAMT gradient with coincident RS responses and biogeochemical anomaly.

Target Area 5.

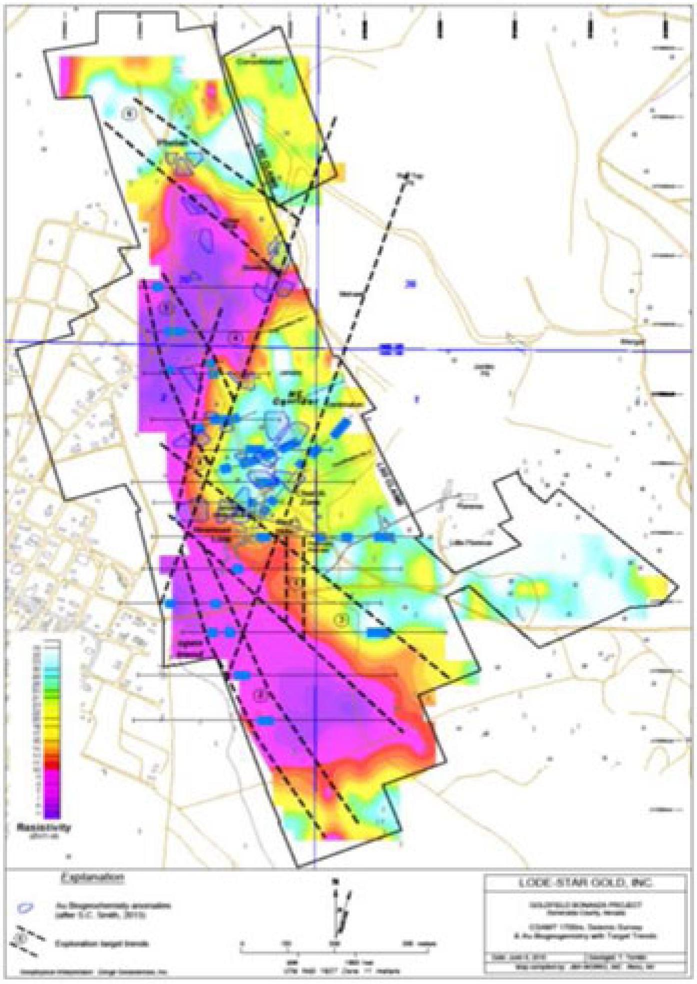
Several Refractive Seismic responses along a north-northwest oriented alignment, suggesting the existence of one (or more) siliceous zones, likely below the 1,700 meter search horizon.

The intersection of RS responses with CSAMT gradient.

Target Area 6.

A major northwest oriented CSAMT gradient trending similar to numerous historic ore zones in the main district coincident with biogeochemical anomalies.

Figure 13 - Seismic Survey



Developments

On November 20, 2018 we were issued Water Pollution Control Permit NEV2017109 from the Nevada Department of Environmental Protection (NDEP) regarding production at the property. This Permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County, Nevada. The Permit is effective for 5 years until November 20, 2023 and authorizes the processing of 10,000 tons of ore per year from Lode-Star's underground operations. 100% of the permitting cost has been borne by our largest shareholder, Lode-Star Gold INC.

Unique to our production permit, the Nevada Department of Environmental Protection has endorsed our intensions to temporarily store waste rock underground. Once stockpiled, waste rock is brought to the surface to backfill and remediate our historic abandoned mine shafts. This will save us the significant time and expense of having to permit and build a surface waste containment facility.

We have received our blasting permit from the ATF.

Company is actively engaged in underground mine development and surface definition core drilling.

The Covid-19 pandemic has had minimal effect on the execution of our milestones.

Metallurgy Reports

To date we have had three metallurgy reports prepared. In order they are: Kappes Cassady & Associates located in Reno, NV dated July 10,2006, Newmont Mining located in Carlin, NV dated May 27, 2010, and McClelland Laboratories, Inc. located in Reno, NV dated January 26, 2016. Indications are that the Company can expect at a minimum, an 85% AU recovery from floatation milling. Better recovery is achieved by Agitated Leach processing, which show results closer to +90%. The best recovery results, +95%, due to the high sulphide content of the ore, is achieved through roasting. An additional lab report has been generated by Kappes Cassady & Associates to determine ore compatibility for processing at Scorpio Gold's milling circuit.

Milling

On February 17, 2017, we executed an agreement with Scorpio Gold Corporation (Scorpio) for a pilot toll milling test. We completed the first test in May 2017 and both companies have determined that further testing needs to be completed to determine a definitive cost analysis and other operational details. The sample processed was historic material stockpiled on the property surface and therefore of limited metallurgical value, but indicative of material that will be run through the mill. Milling throughput did identify specific equipment configuration details that need to be considered for future runs. Both parties agree that additional milling circuitry is needed for the most optimum gold yield.

On January 22, 2020 we executed a toll milling agreement (the "Agreement") with Scorpio Gold Corporation's affiliate, Goldwedge LLC. The Agreement allows for the processing of ore delivered from our Property to the 400 ton per day Goldwedge milling facility located in Manhattan, Nevada.

Based on previous metallurgical testing, our ore requires gravity combined with flotation for optimal recoveries of contained precious metals. The Goldwedge milling circuit is currently configured with a gravity recovery circuit. Under the terms of the Agreement, we wouldl advance funds required for the design, engineering, permitting and modifications to the Goldwedge facility to include the addition of a flotation circuit, supporting reagent tanks/silos, secondary lining of process containment ponds, leak detection and monitoring wells associated with fluid containments. The Agreement provides for us to recoup the advanced funds through a reduction in toll milling rates until all advanced funds have been repaid. Following repayment, the toll charges would revert to standard rates.

Subsequent to a change in ownership of Scorpio, the Company re-assessed the agreement, concluding that it is unlikely to be completed and that the Company has no commitment to continue with it. Based on that, the total of $54,318 incurred in connection with the agreement and included in Prepaid fees has been written off and charged to Impairment expense at December 31, 2020.

Mine Design and Utilization of Equipment

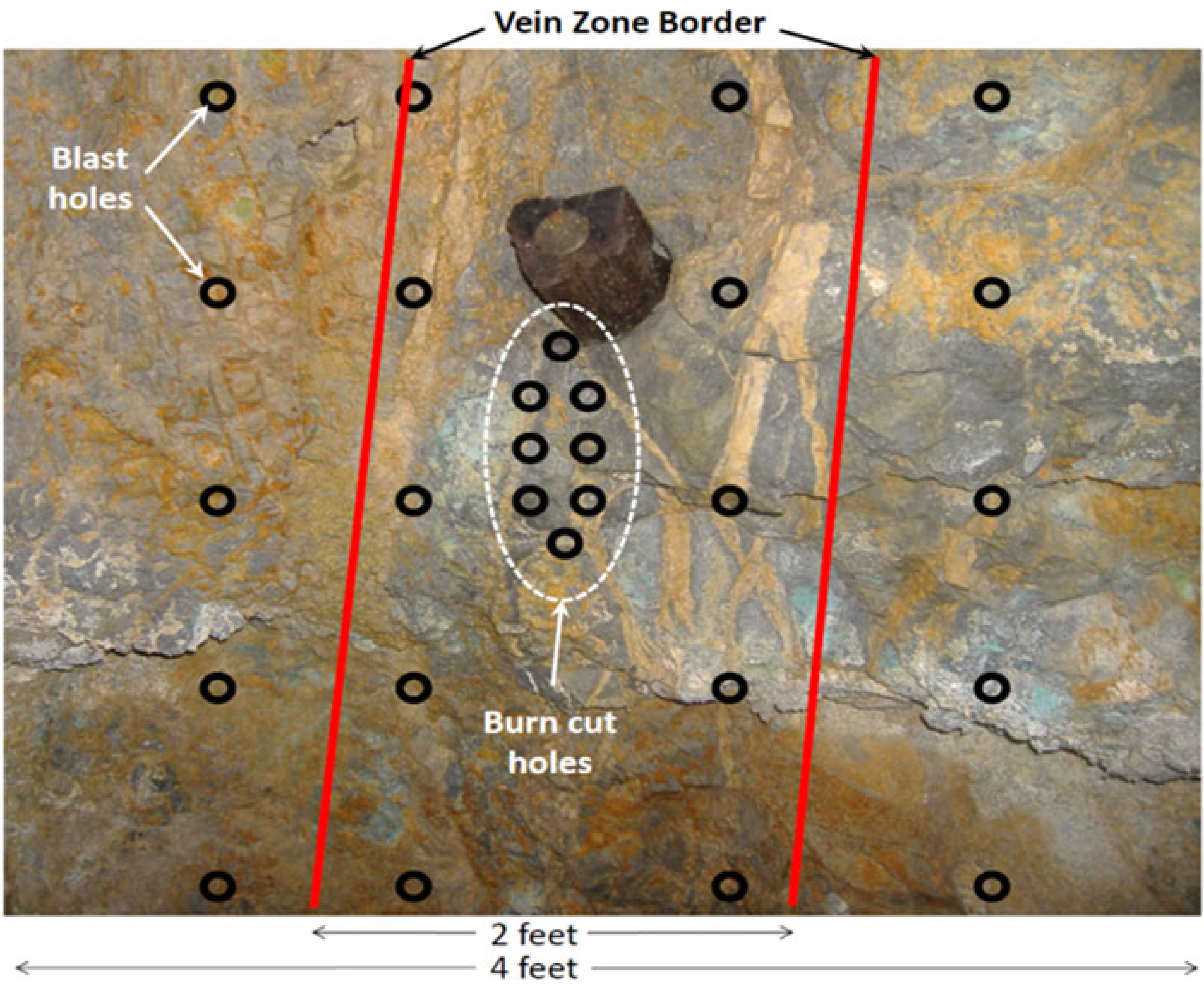
The mine will be designed through the interpretation of detailed drilling data in cross sections and the use of conventional software. Currently there are two areas, the Red Hills and the Church, containing high-grade gold mineralization identified that are to be incorporated into the mine plan. Currently the mine is equipped with a 1-yard scoop-tram loader. Mining activity will be conducted with the utilization of this loader, pneumatic equipment and by an existing conveyor system providing for the transfer of ore to the surface.

Production Mining Method

We intend to maximize profitability through a disciplined approach involving the separation of high-grade gold ore from waste rock during the mining stage, thus avoiding the additional cost of pre-shipment concentration. In order to maintain the highest grade of ore production the blast holes will be sampled during drilling, then assayed to determine ore boundaries prior to blasting. The current plan is to ship ore directly from the mine to an offsite mill employing a toll-milling arrangement. A summary of the mining methodology is as follows:

- Timbered raises
- Cut & Fill/Resuing Narrow Vein Stoping (described below)
- Mechanized internal decline

Figure M1. - A typical blast pattern to extract the ore from waste using two detonations.



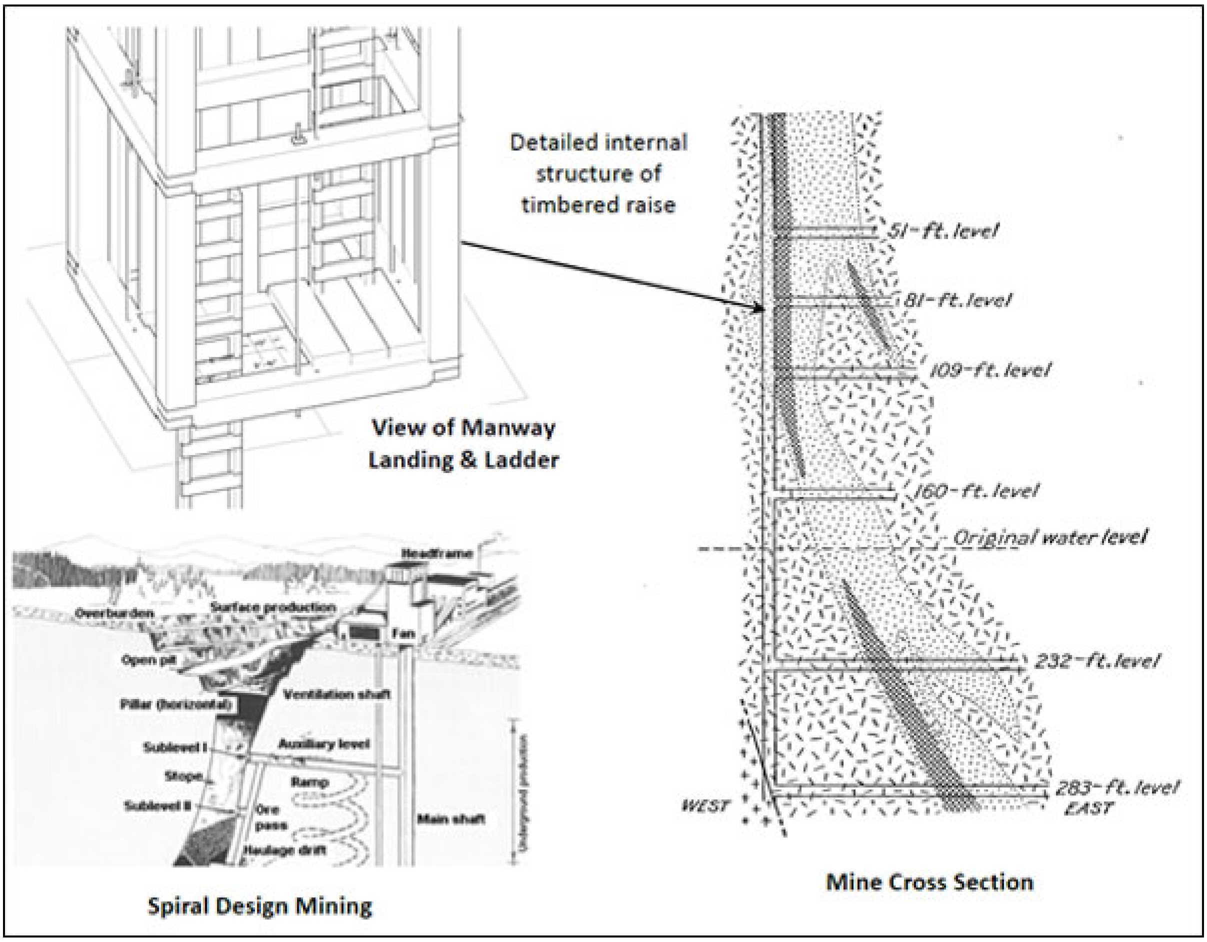
Timbered Raise Summary

The design accommodates the ease of installation of the timber using pre-cut timbers. Caps, and Gerts are jointed on each end so that each fits on another, with a place for each corner post. The timbers are designed to be carried by a pneumatic tugger hoist and set by a crew of two men. A man-way is provided with landings every 4 sets vertically. A utility compartment is provided with accommodation for air and water lines as well as ventilation tubing. The raise timbering is designed to accommodate chute lagging on each end of the raise, with a timber slide along the footwall. Each set is to be blocked to the sides and ends of the raise using similar size timber and wedges. The timbering in this design is intended for temporary vertical access for mining operations and is not intended for permanent long-term ground support. (Fig. M2 below).

Cut & Fill/Resuing Stope Summary

Access is provided by first constructing an internal ramp system, or by timbered raise. RESUING (Shrink Stoping): A method that reduces dilution when the vein is narrower than the heading. Historically a drift round was taken in two passes. First pass was to extract the gold vein, and the second pass was to extract the waste. CUT & FILL: Access is provided by first taking a sill cut, then taking down the back in successive slices. After mucking, the stope is backfilled, but enough space is left to mine the next slice.

Fig. M2 - A typical timber raise and a spiral ramp. The arrow indicates where the raise will be constructed.



Plan of Operations

Drilling and Mine Development:

The Company's underground workings are 100% rehabbed and ready to mine.

The capital requirement to achieve our next phase of project development is estimated at US$5,000,000.

- Line items 1, 2, 3 and 5 below, totaling $3,000,000 are required for bulk sampling of the mine's current workings.

- Line item 4 accounts for the Development Drilling required to fully assess the property's resource.

Application of Funds

Item	Major Categories	Cost
1.	Equipment & Mining Materials	$275,000
2.	Secondary Escape & Second Production Shaft	$1,000,000
3.	Red Hills/Stope & Decline Vein Zones Mining	$860,000
4.	Drilling the North-East Corridor	$2,000,000
5.	Corporate & General Admin.	$865,000
	Total	**$5,000,000**

The estimates above are for discussion purposes only. No information contained herein should be considered an official corporate offering. All costing of the application of funds is an estimate and may not exactly match the actual future costs.

The following tables shows the estimated, detailed application of the $5.0 million Total above, by Category, required for step-out property development and gold output from the Red Hills Vein Zone.

1. Equipment & Mining Materials

Description	Cost	Quantity	Total
a. Blasting Materials and Storage	$30,000	N/A	Stocked
b. Pneumatic Jackleg new	$5,000	4	$20,000
c. Pneumatic Slusher/w bucket used	$20,000	2	Purchased
d. Pneumatic Tugger used	$5,000	1	Purchased
e. Stopers/Buzzies	$2,000	2	Purchased
f. 1-yard used Scoop	$200,000	1	$200,000
g. Compressor	$130,000	1	Leased
h. Hoist Rehab and Retrofitting	$25,000	1	$25,000
i. Ancillary	$30,000	1	$30,000
Total Equipment Items and Cost			**$275,000**

2. Secondary Escape and Second, Higher Volume Production Shaft

Location	Description	Costs	Comments
300 ft Level	Labor + Equipment	$1,000,000	MSHA Mandated
300 ft Level	**Total**	**$1,000,000**	**Budgeted**

3. Phase 1. Mining the Red Hills/Stope and Decline Vein Zones

Location	**Description**	**Costs**	**Comments**
RH/St/Dec	Labor Related	$450,000	5-man crew @ 10 hours per day, estimated 15 months to complete
	Ore Grade Control	$50,000	Sampling time and logistics
	Timber	$35,000	Timber Prep, crib, man-way & service raise timbers
	Equipment Maintenance	$30,000	0.5-man hours. $2,000=Tire wear, service & diesel consumption
	Ground Support	$20,000	4' Split Set w/plate& monster mat. Estimated 1000 bolts
	Explosives	$100,000	Ongoing Blasting Materials
	Fuel	$75,000	15 months @ $5,000/month
	Backfill Material	$40,000	Limestone
	Consumables	$5,000	Small hand tools (Fin hoes, drill steel, bits, drivers, axes, nails, etc.
	Utilities	$5,000	24" vent bag, 2" water & 2" air pipe
	Contingency	$50,000	
RH	**Total**	**$860,000**	**Budgeted**

4. Mine Development - Drilling the Northeast Corridor

	Description	**Cost**
	Red Hills / Decline / Church Zone	$800,000
	Newmont Zone	$1,000,000
	Analytical Fees	$200,000
	Total	**$2,000,000**

5. General Corporate and Administration Fees

Public Company Administrative Costs	**Description**	**Cost**
	Personnel	$365,000
	Regulatory	$200,000
	General	$300,000
	Total	**$865,000**

Funding

All of our ongoing operations, since the inception of our Mineral Option Agreement on October 4, 2014, have been funded by monies advanced to us by Lode-Star Gold INC. (LSG) our largest shareholder. We do not currently have enough funds to carry out our entire plan of operations, so we intend to meet the balance of our cash requirements for the next 12 months through a combination of debt financing and equity financing through private placements. There is no assurance that we will be successful in completing any such financings.

If we are unsuccessful in obtaining sufficient funds through our capital raising efforts, we may review other financing options, although we cannot provide any assurance that any such options will be available to us or on terms reasonably acceptable to us. Further, if we are unable to secure any additional financing then we plan to reduce the amount that we spend on our operations, including our management-related consulting fees and other general expenses, so as not to exceed the capital resources available to us. Regardless, our current cash reserves and working capital will not be sufficient for us to sustain our business for the next 12 months, even if we decide to scale back our operations.

Going Concern

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our expenses. This is because we have not generated any revenues to date, and we cannot currently estimate the timing of any possible future revenues. Our only source for cash currently is loans or investments by others in our common stock.

Intellectual Property

We do not own any intellectual property and we have not filed for any protection of our trademark.

Personnel

We have no employees. Our president and CEO, our COO and our Corporate Secretary received no compensation in the years ended December 31, 2020 and 2019 for their services, other than the value charged to those years for stock options issued in 2017, as detailed in Item 11 and $100,000 in consulting fees incurred to another company controlled by our CEO in 2020 (2019: $12,000). We expect to continue to use outside consultants, advisors, attorneys and accountants as necessary. See Item 10 for information regarding our officers and directors.

We now have a crew of 4 miners and 1 grade-control geologist working underground. The manpower component allows for mine development to advance in multiple headings.

Government Regulations

We plan to engage in mineral exploration and are accordingly exposed to environmental risks associated with mineral exploration activity. LSG is currently in the exploration stage on the Property and, pursuant to the Option Agreement, once formal work plans are mutually agreed between us and LSG, we will be the operator.

In general, in Nevada, no government permits are required on mining claims for exploration activities which do not involve the use of powered equipment. Any disturbance of existing land and vegetation by powered means will generally require a permit which will specify that after work is completed land be re-contoured to the original surface and be seeded with native plant species. On unpatented claims with federally owned surface, a "Notice of Intent" must be filed with the BLM for all activities involving the disturbance of five acres (two hectares) or less of the surface. A Notice of Intent will include details on the company submitting the notice, maps of the proposed disturbance, equipment to be utilized, the general schedule of operations, a calculation of the total disturbance anticipated, and a detailed reclamation plan and budget. A bond will be required to ensure reclamation and the amount will be determined by the calculated acreage being disturbed. The notice does not have an approval process associated with it but the bond calculation does have to be approved with a letter from the BLM before work can proceed. It is not necessary to file a Notice of Intent prior to work on land with privately owned surface.

Measurement of land disturbance is cumulative, and once five acres total has been disturbed on one project, a "Plan of Operations" must be filed and approved by the BLM before additional work can take place. This too requires a cash bond along with a reclamation plan.

LSG is not required to file a Notice of Intent for the Property with the BLM; instead, it is required to file one with the Department of Environmental Protection of the State of Nevada (NDEP), since the only portion of the Property that has publicly owned surface rights is that which overlaps the Goldfield town limits. This form of notice includes the same information as the BLM Notice of

Intent except that a detailed reclamation plan, budget and bond are not required. The notice also has a very informal approval process associated with it.

LSG is currently operating under a Notice of Intent filed with the NDEP and dated January 2011. This is an open-ended permit that does not require bonding for reclamation and allows for a total of five acres of disturbance. We do not have any additional pending Notices of Intent.

To the best of our knowledge, there are no existing environmental liabilities on the Property. A detailed environmental investigation has not been conducted.

Results of Operations

The following summary of our results of operations should be read in conjunction with our audited financial statements for the year ended December 31, 2020 which are included with this Report. See the "Cautionary Note Regarding Forward Looking Statements" above for a discussion of forward-looking statements and the significance of such statements in the context of this Report.

We recorded a net loss of $493,640 for the year ended December 31, 2020, have an accumulated deficit of $3,494,901 and have had no operating revenues. The possibility and timing of revenue being generated from our mineral property interest is uncertain.

Revenues and Net Loss

	Years Ended December 31		Increase/(Decrease)	
	2020	2019	Amount	Percentage
Revenue	$ -	$ -	$ -	-
Operating Expenses	355,732	231,811	123,921	53%
Operating Loss	(355,732)	(231,811)	(123,921)	53%
Other Expenses	(137,908)	(65,076)	(72,832)	112%
Net Loss	$ (493,640)	$ (296,887)	$ (196,753)	66%

Expenses

Our expenses for the years ended December 31, 2020 and 2019 are shown below:

	Years Ended December 31		Increase/(Decrease)	
	2020	2019	Amount	Percentage
Consulting services	$ 160,892	$ 46,274	$ 114,618	248%
Corporate support services	1,869	1,835	34	2%
Exploration and evaluation	18,043	-	18,043	-
Impairment expense	54,318	-	54,318	-
Interest, bank and finance charges	83,590	65,076	18,514	28%
Mineral option fees	100,000	100,000	-	-
Office, foreign exchange and sundry	10,425	15,567	(5,142)	(33%)
Professional fees	40,574	45,342	(4,768)	(11%)
Transfer and filing fees	23,929	22,793	1,136	5%
Total Operating and Other Expenses	$ 493,640	$ 296,887	$ 196,753	66%

Consulting services

In 2020, we incurred $100,000 in consulting fees payable to a company controlled by our CEO, compared to $12,000 in 2019, an increase of $88,000. We granted stock options to key outside consultants in 2018. The related Consulting services expense for the year ended December 31, 2020 based on a Black-Scholes calculation, was $3,535, compared to $10,562 in 2019, a decrease of approximately $7,000. 2020 Consulting services included approximately $34,000 paid to an advisory firm for assistance in exploring fund raising opportunities, with no equivalent expense in 2019. The net of those changes accounted for the total year over year increase.

Exploration and evaluation

Exploration and evaluation expense in 2020 was for assay costs. No such costs were incurred in 2019.

Impairment expense

Management concluded that the mill modification agreement with Goldwedge LLC is unlikely to be completed and that we have no commitment to continue with it. Based on that, the total of $54,318 incurred in connection with the agreement and included in Prepaid fees was written off and charged to Impairment expense at December 31, 2020. There was no equivalent expense in 2019.

Interest, bank and finance charges

The increase in interest expense in 2020 was mainly due to a net increase of approximately $241,000 in interest-bearing loans and approximately $131,000 in interest-bearing amounts due to LSG for mineral option fees and accrued interest.

Office, foreign exchange and sundry

The decrease of approximately $5,000 from 2019 was primarily due to reductions in Meal expenses of approximately $3,000, in Contributions of approximately $1,000, and in Licenses and permits of approximately $1,000.

Professional fees

Professional fees were lower in 2020 primarily due to costs in 2019 of approximately $2,000 for an NI-43-101 report and approximately $2,000 for a US tax filing, with no equivalents in 2020.

Assets and Liabilities

Balance Sheet items with notable year over year differences are as follows:

	December 31		Change	
	2020	2019	Amount	Percentage
Prepaid fees	$ 3,940	$ 2,078	$ 1,862	90%
Accounts payable and accrued liabilities	84,181	8,014	76,167	950%
Due to related parties and accrued interest	$ 2,021,878	$ 1,598,114	$ 423,764	27%
Loans payable and accrued interest	$ -	$ 5,819	$ (5,819)	(100%)
Additional Paid-In Capital	1,632,181	1,628,646	3,535	-

Prepaid fees increased primarily due to prepayment in 2020 of approximately $3,000 for ongoing assay costs, offset by approximately $1,000 in legal fees drawn from prepaid amounts.

Accounts payable and accrued liabilities increased in 2020 primarily due to the accrual of $83,500 in consulting fees for strategic and mine development, partially offset by the payment of approximately $8,000 in payables from December 31, 2019.

Due to related parties and accrued interest increased due to the following:

- the accrual of mineral option fees and related interest due to LSG totaling approximately $131,000;
- net cash loan advances from related parties of $135,000;
- accrued loan interest due to related parties of approximately $51,000; and
- expenses paid by related parties on our behalf of approximately $106,000

Loans payable and accrued interest decreased due to the repayment of $5,819 of accrued loan interest, which was the final balance due.

Additional Paid-In Capital increased as a result of the current year expense of a portion of the value assigned to 500,000 stock options issued November 20, 2018, calculated using the Black-Scholes option pricing model. The expense was charged to Consulting services.

Liquidity and Capital Resources

Our financial condition at December 31, 2020 and 2019 and the changes between those dates are summarized below:

Working Capital

	December 31		Increase/(Decrease)	
	2020	2019	Amount	Percentage
Current Assets	$ 16,584	$ 12,577	$ 4,007	32%
Current Liabilities	2,106,059	1,611,947	494,112	31%
Working Capital (Deficiency)	$(2,089,475)	$(1,599,370)	$ (490,105)	31%

Our working capital decreased, as expected, from December 31, 2019 to December 31, 2020, primarily due to:

- ongoing funding in 2020 from LSG and its controlling shareholder, together with related interest (increase of approximately $292,000), together with the accrual of mineral option fees and related interest due to LSG (increase of approximately $131,000); and

- the accrual of $83,500 in mine consulting expense, partially offset by the net change of approximately $2,000 in prepaid expenses; the payment of approximately $8,000 in payables from December 31, 2019, and the repayment of approximately $6,000 of accrued loan interest.

Cash Flows

	Year Ended December 31		Increase/(Decrease)	
	2020	2019	Amount	Percentage
Cash Flows Provided By (Used In):				
Operating Activities	$ (127,036)	$ (100,009)	$ (27,027)	27%
Financing Activities	129,181	104,000	25,181	24%
Net increase (decrease) in cash	$ 2,145	$ 3,991	$ (1,846)	(46%)

As of the date of this report, we have yet to generate any revenues from our business operations. Our principal sources of working capital have been related party loans and funds received as subscriptions for our common stock. For the foreseeable future, we will continue to rely on those sources for funding. We have no assurance that we can successfully engage in any private sales of our securities or that we can obtain any additional loans.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Commitments

We do not have any commitments as of December 31, 2020 which are required to be disclosed in tabular form.

Critical Accounting Policies

Our critical accounting policies are mainly those subject to significant judgments and uncertainties which could potentially result in materially different results under different conditions and assumptions. We believe the following critical accounting policies reflect our most significant estimates, judgments and assumptions used in the preparation of our financial statements:

Use of Estimates and Assumptions

The preparation of financial statements, in conformity with US GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant areas requiring management's estimates and assumptions are determining the fair value of transactions involving related parties and common stock. Actual results may differ from the estimates.

Foreign Currency Accounting

Our functional currency is the U.S. dollar. Branch office activities are generally in Canadian dollars. Transactions in Canadian currency are translated into U.S. dollars as follows:

- monetary items at the exchange rate prevailing at the balance sheet date;
- non-monetary items at the historical exchange rate; and
- revenue and expense items at the rate in effect of the date of transactions.

Gains and losses arising on the settlement of foreign currency denominated transactions or balances are recorded in the statements of operations.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, Income Taxes. This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

In addition, and as a result of completing the Acquisition, we anticipate that the following critical accounting policies of LSG will also become our critical accounting policies:

Mineral Property

Mineral property interests are capitalized and recorded at cost. The property interests are periodically assessed for impairment of value when facts and circumstances suggest that the carrying amount of the property interest may exceed its recoverable amount. Costs of exploration, evaluation and retaining mineral property interests are expensed as incurred. Once we have identified proven and probable reserves in our investigation of our property interests and upon development of a plan for operating a mine, we would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capital costs will be amortized, using the units-of-production method over proven and probable reserves.

Reclamation Liabilities and Asset Retirement Obligations

Minimum standards for site reclamation and closure have been established by various government agencies that affect our operations. We calculate estimates of reclamation liabilities based on current laws and regulations. US GAAP requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. It further requires the recording of a liability for the present value of estimated environmental remediation costs and the related asset when a recoverable asset (long-lived asset) can be realized. To date, no asset retirement obligation exists due to the early stage of exploration. Accordingly, no liability has been recorded.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, ("FASB") or other standard setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial statements upon adoption.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

LODE-STAR MINING INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of
Lode-Star Mining Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Lode-Star Mining Inc. (the "Company") as at December 31, 2020 and 2019, the related statements of operations, cash flows, and changes in stockholders' deficiency, for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter

The accompanying financial statements referred to above have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company incurred losses from operations since inception, has not attained profitable operations and is dependent upon obtaining adequate financing to fulfill its operating activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements; and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Mineral property interests impairment consideration

As described in Note 3 to the financial statements, the carrying amount of the Company’s mineral property interest was $230,180 as at December 31, 2020. The property interests are periodically assessed for impairment of value when facts and circumstances suggest that the carrying amount of the property interest may exceed its recoverable amount. Management evaluates various qualitative factors in determining whether or not events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable.

Auditing the Company’s impairment assessment involved our subjective judgment because, in determining whether any indicators of impairment occurred, management uses judgments that include, among others, assumptions about management’s intentions and future exploration plans, he ability to fund continued exploration activities, forecasts on future gold prices, and market capitalization. Significant uncertainty exists with these assumptions. Further, management’s evaluation of any new information indicating that continued exploration will not likely occur requires significant judgment.

To test the Company’s impairment assessment, our audit procedures included, among others, assessing the Company’s right to explore in the relevant exploration area; evaluating the Company’s ability and management’s intent to carry out significant exploration and evaluation activity; considering whether there was any other data or information that indicated the carrying amount of the capitalized mineral property interests would not be recovered in full from successful development or by sale; and assessing the adequacy of the associated disclosures in the financial statements.

/s/ Smythe LLP

Smythe LLP, Chartered Professional Accountants

We have served as the Company’s auditor since 2017.

Vancouver, Canada

March 24, 2021

LODE-STAR MINING INC.

BALANCE SHEETS

	DECEMBER 31	
	2020	2019
ASSETS		
Current assets		
Cash	**$ 12,644**	$ 10,499
Prepaid fees	**3,940**	2,078
Total current assets	**16,584**	12,577
Mineral Property Interest, unproven	**230,180**	230,180
Total assets	**$ 246,764**	$ 242,757
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 84,181**	$ 8,014
Due to related parties and accrued interest	**2,021,878**	1,598,114
Loans payable and accrued interest	**-**	5,819
Total current liabilities	**2,106,059**	1,611,947
STOCKHOLDERS' DEFICIENCY		
Capital Stock:		
Authorized:		
480,000,000 voting common shares and 20,000,000 preferred shares		
Issued:	**3,425**	3,425
50,605,965 common shares and no preferred shares at December 31, 2020 and 2019		
Additional Paid-In Capital	**1,632,181**	1,628,646
Accumulated Deficit	**(3,494,901)**	(3,001,261)
Total stockholders' deficiency	**(1,859,295)**	(1,369,190)
Total liabilities and stockholders' deficiency	**$ 246,764**	$ 242,757

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

LODE-STAR MINING INC.

STATEMENTS OF OPERATIONS

	YEARS ENDED DECEMBER 31	
	2020	2019
Revenue	**$ -**	$ -
Operating Expenses		
Consulting services	**160,892**	46,274
Corporate support services	**1,869**	1,835
Exploration and evaluation	**18,043**	-
Mineral option fees	**100,000**	100,000
Office, foreign exchange and sundry	**10,425**	15,567
Professional fees	**40,574**	45,342
Transfer and filing fees	**23,929**	22,793
Total operating expenses	**355,732**	231,811
Operating Loss	**(355,732)**	(231,811)
Other Expenses		
Impairment	**(54,318)**	-
Interest, bank and finance charges	**(83,590)**	(65,076)
Total other expenses	**(137,908)**	(65,076)
Net Loss and Comprehensive Loss For The Year	**$ (493,640)**	$ (296,887)
Basic and Diluted Net Loss Per Common Share	**$ (0.01)**	$ (0.01)
Weighted Average Common Shares Outstanding – Basic and Diluted	**50,605,965**	50,605,965

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

LODE-STAR MINING INC.

STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31	
	2020	2019
Operating Activities		
Net loss for the year	**$ (493,640)**	$ (296,887)
Adjustments to reconcile net loss to net cash used in operating activities:		
Foreign exchange loss	**30**	85
Stock options issued for services	**3,535**	10,562
Changes in operating assets and liabilities:		
Prepaid fees	**(1,827)**	-
Accounts payable and accrued liabilities	**182,114**	38,417
Accrued mineral option fees	**100,000**	100,000
Accrued interest payable	**82,752**	47,814
Net cash used in operating activities	**(127,036)**	(100,009)
Financing Activities		
Repayment of loans payable	**(5,819)**	(6,000)
Proceeds from loans payable – related party	**135,000**	110,000
Net cash provided by financing activities	**129,181**	104,000
Net Increase in Cash	**2,145**	3,991
Cash, Beginning of Year	**10,499**	6,508
Cash, End of Year	**$ 12,644**	$ 10,499
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	**$ -**	$ -
Income taxes	**$ -**	$ -
Non-cash Financing Activity		
Expenses paid by related party on behalf of the Company	**$ 105,947**	$ 35,657

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

LODE-STAR MINING INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	NUMBER OF COMMON SHARES	PAR VALUE	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
Balance, December 31, 2018	50,605,965	$ 3,425	$ 1,618,084	$ (2,704,374)	$(1,082,865)
Stock options issued for services	-	-	10,562	-	10,562
Net loss for the year	-	-	-	(296,887)	(296,887)
Balance, December 31, 2019	50,605,965	3,425	1,628,646	(3,001,261)	(1,369,190)
Stock options issued for services	-	-	3,535	-	3,535
Net loss for the year	-	-	-	(493,640)	(493,640)
Balance, December 31, 2020	**50,605,965**	**$ 3,425**	**$ 1,632,181**	**$ (3,494,901)**	**$(1,859,295)**

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

LODE-STAR MINING INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. BASIS OF PRESENTATION AND NATURE OF OPERATIONS

Organization

Lode-Star Mining Inc. ("the Company") was incorporated in the State of Nevada, U.S.A., on December 9, 2004. The Company's principal executive offices are located in Reno, Nevada. The Company was originally formed for the purpose of acquiring exploration stage natural resource properties. The Company acquired a mineral property interest from Lode-Star Gold INC., a private Nevada corporation ("LSG") on December 11, 2014 in consideration for the issuance of 35,000,000 common shares of the Company. As a result of this transaction, control of the Company was acquired by LSG.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The future of the Company is dependent upon its ability to establish a business and to obtain new financing to execute its business plan. As shown in the accompanying financial statements, the Company has had no revenue and has incurred accumulated losses of $3,494,901 as of December 31, 2020. These factors raise substantial doubt about the Company's ability to continue as a going concern. In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is significantly dependent upon its ability, and will continue to attempt, to secure additional equity and/or debt financing. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies, and financial markets, leading to a global economic downturn. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID- 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. All dollar amounts are in U.S. dollars unless otherwise noted.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Basis of Accounting

The Company's financial statements have been prepared using the accrual method of accounting. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the periods presented have been reflected herein.

b) Cash and Cash Equivalents

Cash consists of cash on deposit with high quality, major financial institutions. For purposes of the balance sheets and statements of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of 90 days or less to be cash equivalents. At December 31, 2020 and 2019, the Company had no items that were cash equivalents.

c) Foreign Currency Accounting

The Company's functional currency is the U.S. dollar. Branch office activities are generally in Canadian dollars. Transactions in Canadian currency are translated into U.S. dollars as follows:

i) monetary items at the exchange rate prevailing at the balance sheet date;

ii) non-monetary items at the historical exchange rate; and

iii) revenue and expense items at the rate in effect of the date of transactions.

Gains and losses arising on the settlement of foreign currency denominated transactions or balances are recorded in the statements of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Fair Value of Financial Instruments

ASC Topic 820-10 establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These tiers include:

- Level 1 – defined as observable inputs such as quoted prices in active markets;
- Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3 – defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, due to related parties, and loans payable. The Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. Pursuant to ASC 820 and 825, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. Accounts payable and accrued liabilities and loans payable are measured using "Level 2" inputs as there are no quoted prices in active markets for identical instruments. The carrying values of cash, accounts payable and accrued liabilities, and loans payable approximate their fair values due to the immediate or short term maturity of these financial instruments.

e) Asset Retirement Obligations

The Company has no asset retirement obligations, including environmental rehabilitation expenditures, which relate to an existing condition caused by past operations.

f) Use of Estimates and Assumptions

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Significant areas requiring management's estimates and assumptions are determining the fair value of transactions involving related parties and common stock, evaluating impairment of mineral property interest and calculating stock-based compensation. Actual results may differ from the estimates.

g) Basic and Diluted Earnings Per Share

The Company reports basic earnings or loss per share in accordance with ASC Topic 260, "Earnings Per Share". Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding during the period. As the Company generated net losses in the periods presented, the impact of including potential shares from outstanding options and warrants would be anti-dilutive and is therefore not part of the net loss per share calculation.

h) Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, Income Taxes. This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued**)**

i) Stock-Based Compensation

Stock-based compensation is accounted for in accordance with ASC 718 whereby a compensation charge based on the fair value of the equity instruments issued, measured at the grant date, is recorded against earnings over the period during which the employee is required to perform the services in exchange for the award (generally the vesting period).

The Company uses the Black-Scholes pricing model as a method for determining the estimated fair value for all stock options awarded to employees, officers, directors and consultants. The expected term of the options is based upon an evaluation of historical and expected future exercise behavior. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the options at the valuation date. Volatility is determined based upon historical volatility of the Company's stock and adjusted if future volatility is expected to vary from historical experience. The dividend yield is assumed to be none as the Company has not paid dividends nor does the Company anticipate paying any dividends in the foreseeable future..

j) Mineral Property Interest and Impairment

Mineral property interests are capitalized and recorded at fair value. The property interests are periodically assessed for impairment of value when facts and circumstances suggest that the carrying amount of the property interest may exceed its recoverable amount. Costs of exploration, evaluation and retaining mineral property interests are expensed as incurred. Once the Company has identified proven and probable reserves in its investigation of its property interests and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capital costs will be amortized, using the units-of-production method over proven and probable reserves.

k) Related Party Transactions

In accordance with ASC 850, the Company discloses: the nature of the related party relationship(s) involved; a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

l) Recent Accounting Pronouncements

The Company has implemented all applicable new accounting pronouncements that are in effect. Those pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. MINERAL PROPERTY INTEREST

The Company's mineral property interest is a group of thirty-one claims known as the "Goldfield Bonanza Project" (the "Property"), in the State of Nevada. Pursuant to an option agreement dated October 14, 2014 with Lode-Star Gold INC. ("LSG"), a private Nevada corporation, the Company acquired an initial 20% undivided interest in and to the mineral claims owned by LSG and an option to earn a further 60% interest in the claims. LSG received 35,000,000 shares of the Company's common stock and is its controlling shareholder. Until the Company has earned the additional 60% interest, the net smelter royalty will be split 79.2% to LSG, 19.8% to the Company and 1% to the former Property owner.

To earn the additional 60% interest, the Company was required to fund all expenditures on the Property and pay LSG an aggregate of $5 million in cash in the form of a net smelter royalty, commencing after December 11, 2014. If the Company fails to make any cash payments to LSG within one year of the date of the option agreement, it is required to pay LSG an additional $100,000, and in any subsequent years in which the Company fails to complete the payment of the entire $5 million, it must make quarterly cash payments to LSG of $25,000.

3. MINERAL PROPERTY INTEREST (Continued)

On January 11, 2017, LSG agreed to defer payment of all amounts due in accordance with the mineral option agreement until further notice, however $25,000 per quarter plus interest on amounts due will still be accrued. On January 17, 2017, the Company and LSG agreed that as of January 1, 2017, all outstanding balances shall carry a compound interest rate of 5% per annum. It was further agreed that the ongoing payment deferral shall apply to both interest and principal. The total amount of such fees due at December 31, 2020 was $623,913 (2019: $523,913), with total interest due in the amount of $88,716 (2019: $57,414).

On October 31, 2019, the Company and LSG executed an amendment (the “Amendment”) to the Option Agreement. Under the Amendment, the exercise of the 60% option was restructured into two separate 30% options, such that the Company may now earn a 30% interest in the Property (for a total of 50%) (the “Second Option”) by completing the following actions:

- paying LSG $5 million in cash from the Property’s mineral production proceeds in the form of a NSR royalty (the “Initial Payment”);

- paying LSG all accrued and unpaid penalty payments under the Option Agreement;

- repaying to LSG (i) all loans, advances or other payments made by LSG to the Company and (ii) all expenditures on the Property funded by or on behalf of LSG until the date on which the Initial Payment has been completed; and

- funding all expenditures on the Property until the date on which the Initial Payment has been completed.

Following the exercise of the Second Option, the Company may earn an additional 30% interest in the Property (for a total of 80%) (the “Third Option”) by completing the following actions:

- paying LSG a further $5 million in cash from the Property’s mineral production proceeds in the form of an NSR royalty (the “Final Payment”); and

- funding all expenditures on the Property from the date on which the Second Option is exercised until the date on which the Final Payment has been completed.

The primary effect of the Amendment is therefore to increase to the purchase price for the additional 60% interest in the Property from $5 million to $10 million, while at the same time separating it into tranches.

On January 22, 2020, the Company executed a toll milling agreement (the “Agreement”) with Scorpio Gold Corporation’s affiliate, Goldwedge LLC. The Agreement allowed for the processing of ore delivered from the Company’s Property to the 400 ton per day Goldwedge milling facility located in Manhattan, Nevada.

Based on previous metallurgical testing, the Company’s ore requires gravity combined with flotation for optimal recoveries of contained precious metals. The Goldwedge milling circuit is currently configured with a gravity recovery circuit. Under the terms of the Agreement, the Company would advance funds required for the design, engineering, permitting and modifications to the Goldwedge facility to include the addition of a flotation circuit, supporting reagent tanks/silos, secondary lining of process containment ponds, leak detection and monitoring wells associated with fluid containments.

The Agreement provided for the Company to recoup the advanced funds through a reduction in toll milling rates until all advanced funds have been offset. Following that, the toll charges would revert to standard rates.

Subsequent to a change in ownership of Scorpio, the Company re-assessed the agreement, concluding that it is unlikely to be completed and that the Company has no commitment to continue with it. Based on that, the total of $54,318 incurred in connection with the agreement and included in prepaid fees has been written off and charged to impairment expense at December 31, 2020.

The Company assessed its mineral property interest to the date of issue of these financial statements and concluded that facts and circumstances do not suggest that the mineral property interest’s carrying value exceeds its recoverable amount and therefore no impairment is required.

4. CAPITAL STOCK

Capitalization

The authorized capital of the Company is 500,000,000 shares of capital stock, divided into 480,000,000 shares of common stock with a par value of $0.001 per share, and 20,000,000 shares of preferred stock with a par value of $0.001 per share. The Company reserved 10,000,000 shares of common stock for issuance under its 2016 Omnibus Equity Incentive Plan. The Company has issued 50,605,965 common shares and no preferred shares. No shares were issued during the years ended December 31, 2020 and 2019.

Options

A total of 10,000,000 options are issued and outstanding, all of which were vested by December 31, 2020.

On November 20, 2018, the Company granted 500,000 non-qualified stock options pursuant to the Equity Incentive Plan, to key outside consultants, with 50% vesting after one year and 50% vesting after two years. Each option is exercisable into one share of the Company's common stock at a price of $0.06 per share, for a term of five years. For the year ended December 31, 2020, $3,535 (2019 - $10,562) was included in consulting services expense, based on fair value estimates determined using the Black-Scholes option pricing model with an average risk-free rate of 2.88%, a weighted average life of 5 years, volatility of 195.37%, and dividend yield of 0%. At December 31, 2020, the options had an intrinsic value of $40,000 ($2019 - $7,000) based on the exercise price of $0.06 per option and a market price of $0.14 per share.

On February 14, 2017, the Company granted 9,500,000 non-qualified stock options pursuant to the Equity Incentive Plan, to key corporate officers and outside consultants, with 25% vesting immediately and a further 25% vesting every six months thereafter for eighteen months. Each option is exercisable into one share of the Company's common stock at a price of $0.06 per share, equal to the closing price of the common stock on the grant date, for a term of five years. The options were fully amortized by the end of 2018, so for the years ended December 31, 2020 and 2019, no related amounts were included in consulting services expense. At December 31, 2020, the options had an intrinsic value of $760,000 (2019 - $133,000) based on the exercise price of $0.06 per option and a market price of $0.14 per share.

Summary of option activity in the current year and options outstanding at December 31, 2020:

	Options		Years Weighted Average Life Remaining (Issued)	Expiry Date	December 31, 2020 Intrinsic Value
	Issued	Vested			
Issued February 14, 2017	9,500,000	9,500,000		February 14, 2022	$760,000
Exercise Price: $0.06					
Issued November 20, 2018	500,000	250,000		November 20, 2023	$40,000
Exercise Price: $0.06					
Balance December 31, 2019	10,000,000	9,750,000	2.21		
Issued / Expired / Exercised	-	-			
Vested	-	250,000			
Balance December 31, 2020	**10,000,000**	**10,000,000**	**1.21**		**$800,000**

50,000 of the options issued on November 20, 2018 were exercised subsequent to year end, on March 4, 2021 on a cashless basis, resulting in the issuance of 28,571 common shares.

4. CAPITAL STOCK (Continued)

Warrants

During the years ended December 31, 2020 and 2019, no warrants to purchase shares of common stock were issued and no warrants were exercised. On November 19, 2020, 3,336,060 warrants issued in 2015 expired without being exercised, leaving no intrinsic value at December 31, 2020. At December 31, 2019 they had an intrinsic value of $180,147, based on the exercise price of $0.02 per warrant and a market price of $0.074 per share.

Summary of warrant activity in the current year and warrants outstanding at December 31, 2020:

	Number of Warrants	Exercise Price	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)	Expiry Date	Intrinsic Value December 31, 2020
Balance December 31, 2019 and 2018	3,336,060	$ 0.02	$ 0.02	0.89	November 19, 2020	
Issued	-	-	-	-	-	-
Expired	(3,336,060)	-	-	-	-	-
Exercised	-	-	-	-	-	-
Balance outstanding and exercisable December 31, 2020	-	-	-	-	-	-

5. LOANS PAYABLE

During the year ended December 31, 2020, the Company repaid $5,819, which was the outstanding accrued interest due on a non-related party loan. During the year ended December 31, 2019, the Company repaid $14,929 of accrued interest and the remaining $5,000 of principal of that loan.

6. RELATED PARTY TRANSACTIONS AND AMOUNTS DUE

At December 31, 2020, the Company had the following amounts due to related parties:

i) $353,007 (2019: $247,060): unsecured; interest at 5% per annum; with no specific terms of repayment, due to LSG, the Company's majority shareholder. Accrued interest payable on the loans at December 31, 2020 was $47,701 (2019: $32,414). During the current year, LSG paid expenses directly on behalf of the Company totaling $105,947 (2019: $35,657).

ii) $730,000 (2019: $635,000): unsecured; interest at 5% per annum from January 1, 2015; with no specific terms of repayment, due to LSG, the Company's majority shareholder. Accrued interest payable on the loan at December 31, 2020 was $132,982 (2019: $98,464). During the current year, the Company borrowed $95,000 (2019: $110,000) from LSG.

iii) $3,915 (2019: $3,850): unsecured; non-interest bearing; with no specific terms of repayment, due to the controlling shareholder of LSG. The change in value during the year was due to fluctuation in the US to Canadian dollar exchange rate.

iv) $40,000 (2019: $0): unsecured; interest at 5% per annum; with no specific terms of repayment, due to the controlling shareholder of LSG. Accrued interest payable on the loan at December 31, 2020 was $1,644 (2019: $0).

At December 31, 2020, total interest accrued on the above related party loans was $182,327 (2019: 130,878).

- During the current year, there was a $65 foreign exchange loss (2019: $185 loss) due to a related party loan amount in non-US currency.

- No stock-based compensation to related parties was incurred during the years ended December 31, 2020 or 2019.

- During the year ended December 31, 2020, the Company incurred $100,000 (2019: $100,000) in mineral option fees payable to LSG, which have been accrued. The total amount of such fees due at December 31, 2020 was $623,913 (2019: $523,913), with total interest due in the amount of $88,716 (2019: $57,414).

6. RELATED PARTY TRANSACTIONS AND AMOUNTS DUE (Continued)

At December 31, 2020, the total due to related parties of $2,021,878 (2019: $1,598,114) was comprised of the following:

- Loans and accrued interest - $1,309,249 (2019: $1,016,788)
- Mineral option fees payable and accrued interest - $712,629 (2019: $581,326)

During the year ended December 31, 2020, the Company incurred $100,000 (2019: $12,000) in consulting fees for strategic and mine development, payable to a company controlled by the Company's President. $83,500 (2019: $0) of those fees was outstanding and included in Accounts Payable at December 31, 2020. A further $422 included in Accounts Payable at that date was owing to the same company controlled by the President, for expenses outstanding (2019: $0).

7. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

See Note 3 for details about the Company's obligations and commitments.

8. INCOME TAXES

In December 2014, the Company underwent a change in control which subjected it to limitations under Internal Revenue Code Section 382. That section restricts post-change annual net operating loss utilization, based on applying an IRS-prescribed rate to the purchase price of the stock acquired in the change in control. The Company accordingly revised its estimates of net operating loss carry forwards, resulting in a reduction in the estimate of losses available for utilization in the amount of approximately $872,000.

A reconciliation of income tax benefit to the amount computed at the estimated rate of 34% (2019 – 34%) is as follows:

	2020	2019
Expected income tax recovery	**$ 167,800**	$ 100,900
Adjustment for non-deductible amounts	**(120,900)**	(78,900)
Increase in valuation allowance	**(46,900)**	(22,000)
	$ -	$ -

Significant components of deferred income tax assets are as follows:

	2020	2019
Deferred income tax assets		
Net operating losses carried forward	**$ 412,300**	$ 365,400
Valuation allowance	**(412,300)**	(365,400)
	$ -	$ -

The Company has approximately $951,000 (2019: $951,000) in net operating losses carried forward which will expire between 2032 and 2037 if not utilized and approximately $261,000 (2019: $123,000) in net operating losses which will be carried forward indefinitely. Future tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements, and have been offset by a valuation allowance.

Realization of the above losses carried forward is dependent on the Company filing the applicable tax returns with the tax authorities and generating sufficient taxable income prior to expiration of the losses carried forward. Continuing use of the acquired historic business or a significant portion of the acquired assets for two years after a change of control transaction is required, otherwise the annual net operating loss limitation on pre-change losses is zero. The two-year continuing use requirement has been met.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective August 1, 2020, our auditors, Morgan & Company LLP, 609 Granville Street, Vancouver, BC, Canada, merged their operations with Smythe LLP, Chartered Professional Accountants, 475 Howe Street, Suite 700, Vancouver, BC, Canada and continue to provide services to us as Smythe LLP.

There have been no disagreements regarding accounting and financial disclosures from the inception of our company through the date of this report on Form 10-K. Our financial statements for the year ended December 31, 2020 included in this report, have been audited by Smythe LLP. Our financial statements for the year ended December 31, 2019 included in this report, were audited by Morgan & Co. LLP, prior to its merger with Smythe LLP.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2020, our disclosure controls and procedures were not effective, due to the size and nature of the existing business operation. Given the size of our current operation and existing personnel, the opportunity to implement disclosure control procedures is limited. Until such time as the organization can increase sufficiently in size to warrant an increase in personnel required to effectively execute and monitor formal disclosure control procedures, those formal procedures will not be implemented. As a result of the current size of the organization, there are not significant levels of supervision, review, independent directors or a formal audit committee.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness, as of December 31, 2020, of our internal control over financial reporting based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our Chief Executive and Chief Financial Officer concluded that, as of December 31, 2019, our internal control over financial reporting was not effective, due to the size and nature of the existing business operation. Given the size of our current operation and existing personnel, the opportunity to implement internal control procedures that segregate accounting duties and responsibilities is limited. Until such time as the organization can increase sufficiently in size to warrant an increase in personnel required to effectively execute and monitor formal internal control procedures, those formal procedures will not be implemented. As a result of the size of the current organization, there are not significant levels of supervision, review, independent directors or a formal audit committee.

Changes in Internal Control Over Financial Reporting:

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Officers and Directors

As of the date of this report, the names, ages and positions of our executive officers and directors were as follows:

Name	Age	Position
Mark Walmesley	63	President, Chief Executive Officer, Chief Financial Officer, Treasurer, Director
Thomas Temkin	67	Chief Operating Officer, Director
Pam Walters	71	Secretary

Mark Walmesley was appointed as our Chief Financial Officer, Treasurer and director on September 22, 2014, and our President and Chief Executive Officer on December 11, 2014. He has been LSG's Director of Operations since 2005 and a director of the company since March 2009.

From 2005 to 2010, Mr. Walmesley directed operations on the Property, during which time LSG had a crew of up to eight people performing surface and underground exploratory drilling and mine rehabilitation work. In 2010 and 2011, he negotiated the terms of the ICN Option Agreement on behalf of LSG, and he is currently directing all of LSG's advancement activities.

Since 1985, Mr. Walmesley has been the owner and operator of Mark Walmesley, Inc., a private Texas corporation, which specializes in the sale of window etching theft deterrent products that are distributed throughout the United States in the automotive aftermarket industry. Through an established network of agents and car dealerships, he has achieved product fulfillment on millions of vehicles over his 34-year career.

Since 2008, Mr. Walmesley has been developing an emergency medical communications platform for FAST Alert Support Team, Inc., a company dedicated to facilitating worldwide communication between emergency medical technicians (EMTs), incapacitated individuals and people assigned by those individuals to accommodate pre-determined essential support. Although the project is currently on hold, Mr. Walmesley originally developed this online software solution for the medical industry in the United States and plans to build the business using his existing network of automotive industry contacts. He remains the company's Founder and Chief Software Architect.

Mr. Walmesley has also been involved in financing and mentoring a variety of other private companies throughout his professional career.

Thomas Temkin was appointed as Chief Operating Officer and to the Board of Directors on January 19, 2015. Mr. Temkin is a Certified Professional Geologist, a Certified Instructor, Federal Mine Safety and Health Administration (MSHA) and a Qualified Person under National Instrument (NI) 43101, with more than 38 years of experience in the mining industry, primarily in exploration in the Western United States. As senior project manager for several major mining companies, Mr. Temkin has been associated with several advanced gold exploration projects, some of which developed into significant mines. After receiving his Bachelor of Science degree in Economic Geology in 1976 from the Mackay School of Mines, Mr. Temkin began his career as an exploration Geologist. He is currently a consulting geologist working with Lode-Star Gold, Inc. Mr. Temkin has been associated with LSG and the project for over 18 years and has been instrumental through its entire exploration program to date.

Pam Walters was appointed as our Secretary on April 22, 2015. Since 1985 Ms. Walters has been working as the Corporate Administration person responsible for employee relations as well as managing the day-to-day corporate finance and business operations of Lode Star Gold, Inc. Ms. Walters has been associated with the mining industry for over 25 years. She attended the University of New Orleans in the early 1970s and since 1998 she has been acquiring and practicing the skills required to manage and maintain our busy and growing corporate needs.

Term of Office

Our officers are appointed to serve until the meeting of our Board of Directors following the next annual meeting of our stockholders and until their successors have been elected and qualified.

Committees of the Board of Directors

Our board of directors has authorized an audit committee charter, compensation committee charter, nominating and governance committee charter, executive committee charter and nominating committee charter. Our board may also establish from time to time any other committees that it deems necessary or desirable. The composition of each committee will comply, when required, with NYSE MKT listing standards and other rules of the SEC and NYSE MKT.

Audit Committee

We have not appointed members of our audit committee. However, the chairman will be independent within the meaning of applicable SEC rules and NYSE MKT listing standards as an “audit committee financial expert” as defined in the rules and regulations of the SEC, and that is financially literate under the current listing standards of the NYSE MKT. The audit committee has oversight responsibilities regarding matters including:

- the integrity of our financial statements and our financial reporting and disclosure practices;
- the soundness of our system of internal controls regarding finance and accounting compliance;
- the independent registered public accounting firm’s qualifications and independence;
- the engagement of the independent registered public accounting firm;
- the performance of our internal audit function and independent registered public accounting firm;
- our compliance with legal and regulatory requirements in connection with the foregoing;
- review of related party transactions in accordance with our written policy as to such transactions; and
- compliance with our Code of Conduct and Ethics.

We will rely on the phase-in rules of the SEC and NYSE MKT with respect to the independence of our audit committee. These rules permit us to have an audit committee that has at least one member who is independent by the NYSE MKT listing date, at least two members (a majority of whom are independent) within 90 days after the listing date, and at least three members (all of whom are independent) within one year thereafter.

Compensation Committee

We have not appointed members of our compensation committee. However, the chairman of the committee will be independent within the meaning of the listing standards of the NYSE MKT. The compensation committee is authorized to assist the board in discharging the board’s responsibilities relating to matters including:

- review and administration of compensation and benefit policies and programs designed to attract, motivate and retain personnel with the requisite skills and abilities to us to achieve superior operating results;
- review and approval, annually of goals and objectives relevant to compensation of our Chief Executive Officer, including evaluating the performance of the Chief Executive Officer in light of those goals and objectives and setting of our Chief Executive Officer’s compensation based on such evaluation (and our compensation committee will have sole authority to determine such compensation);
- establishment of the compensation of our other executives and the Chairman of our board, and recommendation of the compensation of our non-employee directors for approval by majority vote of independent directors, and
- issuance of an annual report on executive compensation for inclusion in our annual proxy statement, once required.

We will rely on the phase-in rules of the SEC and NYSE MKT with respect to the independence of our compensation committee. These rules permit us to have a compensation committee that has at least one member who is independent by five business days from the NYSE MKT listing date, at least a majority of members who are independent within 90 days of the NYSE MKT listing date and all independent members within one year of the NYSE MKT listing date.

Nominating and Governance Committee

We have not appointed members of our nominating and governance committee. However, the chairman of the committee will be independent within the meaning of the listing standards of NYSE MKT. The nominating and governance committee is authorized to:

- recommend to the board nominees for election as directors and committee members;
- develop and recommend to the board a set of corporate governance guidelines;
- review candidates for nomination for election as directors submitted by directors, officers, employees and stockholders and establish procedures to be followed by stockholders in submitting nominees;
- recommend to the board non-renomination or removal from the board or a board committee as appropriate;
- review with the board the requisite skills and characteristics for continuation as board members, the selection of new board members and board composition; and
- select, retain and evaluate any search firm with respect to the identification of candidates for nomination for election as directors (and our nominating and governance committee shall have the sole authority to approve any such firm's fees and other retention terms).

We will rely on the phase-in rules of the SEC and NYSE MKT with respect to the independence of our nominating and governance committee. These rules permit us to have a nominating and governance committee that has at least one member who is independent by five business days from the NYSE MKT listing date, at least a majority of members who are independent within 90 days of the NYSE listing date and all independent members within one year of the NYSE listing date.

The committee will assist the board in the selection of nominees for election as directors at each annual meeting of our stockholders and will establish policies and procedures regarding the consideration of director nominations from stockholders.

Code of Ethics

We have adopted a corporate code of ethics. We believe our code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the code of ethics was included as Exhibit 14.1 to our annual report on Form 10-K filed with the SEC on April 7, 2009.

Significant Employees

Other than our officers and directors, we do not expect any other individuals to make a significant contribution to our business as employees.

Family Relationships

There are no family relationships among our directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

Involvement in Certain Legal Proceedings

None of our directors, executive officers, promoters or control persons has been involved in any of the following events during the past 10 years:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

- being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated any federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated;

- being the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any law or regulation prohibiting mail or wire fraud or fraud in connection with any business activity;

- being the subject of, or a party to, any judicial or administrative order, judgment, decree or finding, not subsequently reversed, suspended or vacated relating to an alleged violation of any federal or state securities or commodities law or regulation or any law or regulation respecting financial institutions or insurance companies; or

- being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any stock, commodities or derivatives exchange or other self-regulatory organization.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Management Agreements

We do not yet have a formal management or consulting agreement in place with Mark Walmesley, our President, Chief Executive Officer, Chief Financial Officer, Treasurer and director. Regardless, we expect Mr. Walmesley to allocate the majority of his working time to our business. We also do not yet have a formal management or consulting agreement in place with Thomas Temkin, our Chief Operating Officer and director. Until a formal work program for the Property is in place, Mr. Temkin is being compensated by Lode-Star Gold INC.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following sets forth information with respect to the compensation awarded or paid to Mark Walmesley, our President, Chief Executive Officer, Chief Financial, Treasurer and director, Thomas Temkin, our Chief Operating Officer and director, and Pam Walters, our Secretary, for all services rendered in all capacities to us during our fiscal years ended December 31, 2020 and 2019. We do not have any other executive officers and no other individual received total compensation from us in excess of $100,000 during those years.

Pursuant to Item 402(a)(5) of Regulation S-K we have omitted certain columns from the table since there was no compensation awarded to, earned by or paid to these individuals required to be reported in such columns in either year.

Name and Principal Position	Years Ended December 31	Salary ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Mark Walmesley, CEO [(1)]	2020	-	-	100,000	100,000
	2019	-	-	12,000	12,000
Thomas Temkin, Director and COO [(2)]	2020	-	-	-	-
	2019	-	-	-	-
Pam Walters, Secretary [(3)]	2020	-	-	-	-
	2019	-	-	-	-

(1) Mark Walmesley was appointed as our Chief Financial Officer, Treasurer and director on September 22, 2014, and our President and Chief Executive Officer on the December 11, 2014. Mr. Walmesley has been LSG's Director of Operations since 2005 and a director of the company since March 2009.

On February 14, 2017 Mr. Walmesley was granted 5,000,000 non-qualified stock options pursuant to our Equity Incentive Plan, with 25% vesting immediately and a further 25% vesting every six months thereafter for eighteen months. Each option is exercisable into one share of the Company's common stock at a price of $0.06 per share, equal to the closing price of the common stock on the grant date, for a term of five years. The options had an estimated grant date fair value of $290,640 based on fair value estimates determined using the Black-Scholes option pricing model. The full amount of the Black Scholes valuation had been amortized by the end of 2018 so, for the years ended December 31, 2020 and 2019, $0 was included in Consulting services expense. At December 31, 2020, the options had an intrinsic value of $400,000 based on the exercise price of $0.06 per option and a market price of $0.14 per share.

During the year ended December 31, 2020, we incurred $100,000 in consulting fees payable to another company controlled by Mr. Walmesley (2019: $12,000).

(2) Thomas Temkin was appointed as our Chief Operating Officer and director on January 19, 2015.

On February 14, 2017 Mr. Temkin was granted 1,600,000 non-qualified stock options pursuant to our Equity Incentive Plan, with 25% vesting immediately and a further 25% vesting every six months thereafter for eighteen months. Each option is exercisable into one share of the Company's common stock at a price of $0.06 per share, equal to the closing price of the common stock on the grant date, for a term of five years. The options had an estimated grant date fair value of $93,004 based on fair value estimates determined using the Black-Scholes option pricing model. The full amount of the Black Scholes valuation had been amortized by the end of 2018 so, for the years ended December 31, 2020 and 2019, $0 was included in Consulting services expense. At December 31, 2020, the options had an intrinsic value of $128,000 based on the exercise price of $0.06 per option and a market price of $0.14 per share.

(3) Pam Walters was appointed as our Secretary on April 22, 2015.

On February 14, 2017 Ms. Walters was granted 800,000 non-qualified stock options pursuant to our Equity Incentive Plan, with 25% vesting immediately and a further 25% vesting every six months thereafter for eighteen months. Each option is exercisable into one share of the Company's common stock at a price of $0.06 per share, equal to the closing price of the common stock on the grant date, for a term of five years. The options had an estimated grant date fair value of $46,504 based on fair value estimates determined using the Black-Scholes option pricing model. The full amount of the Black Scholes valuation had been amortized by the end of 2018 so, for the years ended December 31, 2020 and 2019, $0 was included in Consulting services expense. At December 31, 2020, the options had an intrinsic value of $64,000 based on the exercise price of $0.06 per option and a market price of $0.14 per share.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Exchange Act, as amended, requires our executive officers, directors and persons who beneficially own more than 10% of our common stock to file reports of their beneficial ownership and changes in ownership (Forms 3, 4 and 5, and any amendment thereto) with the SEC. Executive officers, directors, and greater than ten percent holders are required to furnish us with copies of all Section 16(a) forms they file.

To the best of our knowledge, no person who, at any time during such fiscal year, was a director, officer, or beneficial owner of more than 10% of our common stock, or any other reporting person (as defined in Item 405 of Regulation SK) ("reporting person"), failed to file on a timely basis, as disclosed in the above forms, reports required by Section 16(a) of the Exchange Act during the most recent fiscal year or prior fiscal year.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2020, we had no unvested stock awards held by the named executive officers, which are part of the option awards described in the table notes above.

Benefit Plans

We do not have any pensions plan, profit sharing plan or similar plan for the benefit of our officers, directors or employees. However, we may establish such plans in the future.

ITEM 11. EXECUTIVE COMPENSATION *(Continued)*

Director Compensation

We have not compensated any of our directors for their service on the Board. Management directors are not compensated for their service as officers except as detailed in the compensation table above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table lists the beneficial ownership of shares of our common stock by (i) all persons and groups known by the company to own beneficially more than 5% of the outstanding shares of our common stock, (ii) each director, (iii) each person who held the office of chief executive officer at any time during the year ended December 31, 2020, (iv) up to two executive officers other than the Chief Executive Officer who were serving as executive officers on December 31, 2019 and to whom the company paid more than $100,000 in compensation during the last fiscal year, (v) up to two additional persons to whom the company paid more than $100,000 during the last fiscal year but who were not serving as an executive officer on December 31, 2020 and (vi) all directors and officers as a group. None of the directors, nominees, or officers of the company owned any equity security issued by the company's subsidiaries. Information with respect to officers, directors and their families is as of December 31, 2020 and is based on the books and records of the company and information obtained from each individual. Information with respect to other stockholders is based upon the Schedule 13D or Schedule 13G filed by such stockholders with the Securities and Exchange Commission. Unless otherwise stated, the business address of each individual or group is the same as the address of the company's principal executive office.

Name and Address of Beneficial Owner (1)	**Number of Common Shares**	**Percentage of Ownership (2)**
Mark Walmesley **(3)**	2,553,140	5.05%
Thomas Temkin **(4)**	70,000	0.14%
All executive officers and directors as a group (2 persons)	2,623,140	5.19%
Lode Star Gold INC. **(5)**	35,000,000	69.16%
Lonnie S. Humphries Non-Exempt Trust **(5)**	200,000	0.40%
Lonnie S. Humphries	1,369,756	2.71%

1) Unless otherwise indicated, the address of all named persons is **1 East Liberty Street, Suite 600, Reno, NV 89501**

2) Based on 50,605,965 shares of our common stock issued and outstanding as of December 31, 2020.

3) Mark Walmesley was appointed as our Chief Financial Officer, Treasurer and director on September 22, 2014, and our President and Chief Executive Officer on December 11, 2014. Mr. Walmesley has been LSG's Director of Operations since 2005 and a director of the company since March 2009.

4) Thomas Temkin was appointed as Chief Operating Officer and to the Board of Directors on January 19, 2015.

5) The person with investment and dispositive authority is Lonnie Humphries.

Changes in Control

As of the date of this report, we are not aware of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in our control.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

As of December 31, 2020, the following amounts were due to related parties:

- To Lode Star Gold INC., our controlling shareholder ("LSG"): unsecured loans with interest at 5% per annum, with no specific terms of repayment, totaling $1,083,007 plus accrued interest totaling $180,683, and $623,913 in accrued mineral option fees payable under the terms of our Mineral Option Agreement, plus accrued interest of $88,716.

- To Lonnie Humphries, the sole shareholder of Lode Star Gold INC., our controlling shareholder: an unsecured, non-interest-bearing loan of $3,915, with no specific terms of repayment; and a second unsecured loan of $40,000, with interest at 5% per annum and no specific terms of repayment. Accrued interest payable on that loan at December 31, 2020 was $1,644.

- During the year ended December 31, 2020, the Company incurred $100,000 in consulting fees for strategic and mine development, payable to a company controlled by our President. $83,500 of those fees was outstanding and included in Accounts Payable at December 31, 2020. A further $422 included in Accounts Payable at that date was owing to the same company controlled by the President, for expenses outstanding.

Other than as described above and in Item 11, Executive Compensation, we have not entered into any transactions with our officers, directors, persons nominated for these positions, beneficial owners of 5% or more of our common stock, or family members of those persons wherein the amount involved in the transaction or a series of similar transactions exceeded the lesser of $120,000 or 1% of the average of our total assets for the last two fiscal years.

<u>Director Independence</u>

Because our common stock is not currently listed on a national securities exchange, we currently use the definition in NASDAQ Listing Rule 5605(a)(2) for determining director independence, which provides that an "independent director" is a person other than an executive officer or employee of the company or any other individual having a relationship which, in the opinion of the company's Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;

- the director or a family member of the director accepted any compensation from the company in excess of $120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);

- a family member of the director is, or at any time during the past three years was, an executive officer of the company;

- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);

- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or

- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

We have determined that none of our directors meet this definition of independence because they are also our executive officers.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Effective August 1, 2020, our auditors, Morgan & Company LLP, merged their operations with Smythe LLP, Chartered Professional Accountants and continue to provide services to us as Smythe LLP.

(1) Audit Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for our audit of annual financial statements and review of financial statements included in our Form 10-Qs or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was:

2020	$	20,946	Smythe LLP
2019	$	20,042	Morgan & Co LLP

(2) Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountants that are reasonably related to the performance of the audit or review of our financial statements and are not reported in the preceding paragraph:

2020	$	0	Smythe LLP
2019	$	0	Morgan & Co LLP

(3) Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was:

2020	$	0	Smythe LLP
2019	$	0	Morgan & Co LLP

(4) All Other Fees

The aggregate fees billed in each of the last two fiscal years for the products and services provided by the principal accountant, other than the services reported in paragraphs (1), (2), and (3) was:

2020	$	0	Smythe LLP
2019	$	0	Morgan & Co LLP

(5) The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full time, permanent employees was nil.

PART IV. OTHER INFORMATION

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following is a complete list of exhibits filed as part of this annual report:

		Incorporated by reference			
Exhibit	**Document Description**	**Form**	**Date**	**Number**	**Filed herewith**
3.1	Articles of Incorporation.	SB-2	3/04/05	3.1	
3.2	Bylaws.	SB-2	3/04/05	3.2	
3.3	Amended and Restated Articles of Incorporation	14-C	11/24/14	3.3	
3.4	Omnibus Equity Incentive Plan	14-C	11/24/15	3.4	
4.1	Specimen Stock Certificate.	SB-2	3/04/05	4.1	
10.1	Mining Claim.	S-1/A-5	2/08/08	10.1	
10.2	Bill of Sale.	SB-2	3/04/05	10.2	
10.3	Trust Agreement.	SB-2	12/19/07	10.3	
10.4	Consulting Agreement with Woodburn Holdings Ltd.	8-K	2/21/12	10.1	
10.5	Mineral Option Agreement with Lode Star Gold INC.	8-K	10/09/14	10.1	
10.6	Settlement Agreement	8-K	12/16/14	10.2	
10.7	Acquisition of Mineral Property Interest	10-K/A2	1/11/2017	10.7	
10.8	Amendment to Mineral Option Agreement	8-K	11/06/2019	10.8	
14.1	Code of Ethics.	10-K	4/15/11	14.1	
31.1	Certification of Principal Executive and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the Chief Executive and Chief Financial Officer.				X
99.1	Subscription Agreement.	SB-2	3/04/05	99.1	
99.2	Charter Audit Committee	10-K	4/15/11	99.2	
99.3	Disclosure Committee	10-K	4/15/11	99.3	
101.INS	XBRL Instance Document	10-K	4/14/14	101.INS	
101.SCH	XBRL Taxonomy Extension Schema	10-K	4/14/14	101.SCH	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	10-K	4/14/14	101.CAL	
101.DEF	XBRL Taxonomy Extension Definition Linkbase	10-K	4/14/14	101.DEF	
101.LAB	XBRL Taxonomy Extension Label Linkbase	10-K	4/14/14	101.LAB	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	10-K	4/14/14	101.PRE	

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities and Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 24th day of March 2021

LODE-STAR MINING INC.

By: /s/ *Mark Walmesley*
Mark Walmesley
President, Principal Executive Officer,
Treasurer, Principal Financial Officer, and
Principal Accounting Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ *Mark Walmesley* Mark Walmesley	Director, President, Chief Executive Officer and Chief Financial Officer	March 24, 2021