GIGAMETALS CORPORATION

Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

Expressed in Canadian Dollars

Crowe MacKay LLP

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Giga Metals Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Giga Metals Corporation and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated 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 ended December 31, 2020 and 2019 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Crowe MacKay LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2019.

Vancouver, Canada
April 27, 2021

Giga Metals Corporation
Consolidated Statements of Financial Position
As at December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents		3,762,980	1,640,642
Receivables	3	103,742	1,071,018
Prepaid expenses and deposits		87,515	64,365
		3,954,237	2,776,025
Non-current assets			
Reclamation deposits		232,000	232,000
Equipment and right of use assets	5	243,249	341,163
Exploration and evaluation assets	6	5,808,840	4,390,312
		6,284,089	4,963,475
TOTAL ASSETS		**10,238,326**	**7,739,500**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	130,699	383,785
Lease obligation – short-term	8	88,182	76,070
		218,881	459,855
Non-current liabilities			
Lease obligation – long-term	8	129,212	217,394
Loan	9	40,000	-
Asset retirement obligations		275,000	200,000
		444,212	417,394
TOTAL LIABILITIES		**663,093**	**877,249**
EQUITY			
Share capital	11	60,173,313	55,091,542
Share-based payment reserve	12	7,417,335	7,763,393
Accumulated other comprehensive loss (“AOCL”)		(933)	-
Deficit		(58,014,482)	(55,992,684)
TOTAL EQUITY		**9,575,233**	**6,862,251**
TOTAL LIABILITIES AND EQUITY		**10,238,326**	**7,739,500**

Nature and continuance of operations (Note 1)
Commitments (Notes 8 and 9)
Subsequent events (Note 18)

APPROVED BY:

DIRECTOR *“MARK JARVIS”* **DIRECTOR** *“LYLE DAVIS”*

See accompanying notes to the consolidated financial statements

Giga Metals Corporation
Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2020 and 2019
Expressed in Canadian Dollars

	Notes	2020 $	2019 $
Operating expenses			
Amortization	5	97,914	79,923
Consulting fees		475,482	400,317
Corporate communications and investor relations		160,832	572,810
Legal, accounting and audit	13	203,748	170,315
Management and directors fees	13	305,313	240,412
Office and general		173,137	280,796
Travel and accommodation		28,902	85,972
Stock-based compensation	11,13	615,545	515,620
		2,060,873	2,346,165
Other items			
Interest income		(25,335)	(15,995)
Finance charge on lease		30,775	25,211
Income from sublease of office	8	(44,515)	(39,937)
Realized loss on sale of marketable securities	4	-	2,682,350
Change in fair value of marketable securities	4	-	(3,334,120)
		(39,075)	(682,491)
Loss for the year		**(2,021,798)**	**(1,663,674)**
Other comprehensive loss			
Exchange loss on translation of foreign accounts		(933)	-
Comprehensive loss for the year		**(2,022,731)**	**(1,663,674)**
Loss per share – basic and diluted	11	**(0.03)**	**(0.03)**
Weighted average number of shares outstanding – basic and diluted	11	**60,475,382**	**51,169,610**

See accompanying notes to the consolidated financial statements

Giga Metals Corporation
Consolidated Statement of Changes in Equity
For the years ended December 31, 2020 and 2019
Expressed in Canadian Dollars

	Notes	Share capital: Number of shares #	Share capital: Amount $	Share-based payment reserve $	AOCL $	Deficit $	Total $
Balance at December 31, 2018		43,149,015	53,870,374	7,255,441	-	(54,329,010)	6,796,805
Exercise of warrants		11,970,000	1,176,000	-	-	-	1,176,000
Exercise of options		375,000	45,168	(7,668)	-	-	37,500
Stock-based compensation	11	-	-	515,620	-	-	515,620
Comprehensive loss for the year		-	-	-	-	(1,663,674)	(1,663,674)
Balance at December 31, 2019		55,494,015	55,091,542	7,763,393	-	(55,992,684)	6,862,251
Exercise of warrants		10,790,835	2,709,668	-	-	-	2,709,668
Exercise of options		4,060,000	1,410,500	-	-	-	1,410,500
Transfer on the exercise of warrants		-	2,700	(2,700)	-	-	-
Transfer on the exercise of options		-	958,903	(958,903)	-	-	-
Stock-based compensation	11	-	-	615,545	-	-	615,545
Comprehensive loss for the year		-	-	-	(933)	(2,021,798)	(2,022,731)
Balance at December 31, 2020		**70,344,850**	**60,173,313**	**7,417,335**	**(933)**	**(58,014,482)**	**9,575,233**

See accompanying notes to the consolidated financial statements

Giga Metals Corporation
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
Expressed in Canadian Dollars

	2020 $	2019 $
Operating activities		
Loss for the year	(2,021,798)	(1,663,674)
Adjustments for:		
Amortization	97,914	79,923
Stock-based compensation	615,545	515,620
Realized loss on sale of marketable securities	-	2,682,350
Change in fair value of marketable securities	-	(3,334,120)
Changes in non-cash working capital items:		
Receivables	34,212	128,011
Prepaid expenses and deposits	(23,150)	229,496
Trade payables and accrued liabilities	30,026	(28,433)
Net cash flows used in operating activities	(1,267,251)	(1,390,827)
Investing activities		
Expenditures on exploration and evaluation assets	(1,647,551)	(1,866,032)
Proceeds from the sale of marketable securities, net of costs	-	3,335,330
British Columbia Mining tax credits received	953,042	-
Purchase of equipment	-	(3,594)
Net cash flows (used in) from investing activities	(694,509)	1,465,704
Financing activities		
Proceeds on issuance of common shares	4,120,168	1,213,500
Proceeds from loan	40,000	-
Principal repayment of lease obligation	(76,070)	(53,584)
Net cash flows from financing activities	4,084,098	1,159,916
Increase in cash and cash equivalents	2,122,338	1,234,793
Cash and cash equivalents, beginning	1,640,642	405,849
Cash and cash equivalents, ending	**3,762,980**	**1,640,642**
Cash	734,230	297,977
Cash equivalents	3,028,750	1,342,665
Cash received for interest	24,788	1,763
Cash paid for interest	30,775	25,211
Cash paid for taxes	-	-

Supplemental cash flow information (Note 16)

See accompanying notes to the consolidated financial statements

1. Nature and continuance of operations

Giga Metals Corporation (the "Company" or "Giga Metals") was incorporated on January 17, 1983, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol "GIGA" and the OTCQB under the symbol "HNCKF".

The head office, principal address and records office of the Company are located at 700 West Pender Street, Suite 203, Vancouver, British Columbia, Canada, V6C 1G8. The Company's registered address is 885 West Georgia Street, Suite 800, Vancouver, British Columbia, Canada, V6C 3H1.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at December 31, 2020, the Company's accumulated deficit was $58,014,482, the Company had not advanced its mineral properties to commercial production and the Company has no other source of revenue from its operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. As at December 31, 2020, the Company had working capital of $3,735,356, giving the Company the ability to meet current obligations. Subsequent to December 31, 2020, the Company completed equity financings raising gross proceeds of $6,948,778 (Note 18).

During the period, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on April 27, 2021 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Details of the subsidiaries are as follows:

		Percentage owned	
	Incorporated in	December 31, 2020	December 31, 2019
Canadian Metals Exploration Ltd.	Canada	100%	100%
Giga Metals Do Brasil Ltda	Brazil	100%	0%

Giga Metals Do Brasil Ltda was incorporated on June 30, 2020.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:
- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the classification of financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments held in the form of money market investments and certificates of deposit with investment terms that allow for penalty free redemption after one month.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related property on an accrual basis.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted earnings (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

Recognition of Financial Instruments

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets at FVTOCI

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise. However, gains and losses on derecognition of financial assets designated as FVTOCI are recorded in other comprehensive income (loss) in the period in which they arise. Cumulative gains and losses on derecognized financial assets designated as FVTOCI are reclassified from accumulated other comprehensive income (loss) to deficit.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Impairment of assets

The carrying amount of the Company’s assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income (loss).

The recoverable amount of assets is the greater of an asset’s fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Foreign currencies

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars. The functional currency of Giga Metals Corporation and Canadian Metals Exploration Ltd. is the Canadian dollar and the functional currency of Giga Metals Do Brasil Ltda is Brazilian Reals.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the statement of (loss) income.

The statement of financial position of each subsidiary is translated into Canadian dollars using the exchange rate at the balance sheet date and the income statement is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive (loss) income.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:
On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability"). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation

that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

At December 31, 2020, the Company estimated that the fair value of the restoration obligations were $275,000 (2019 - $200,000). The fair value of the liability was determined to be equal to the estimated remediation costs. Due to the early stages of the project, and that extractive activities have not yet begun, the Company is unable to predict with any precision the timing of the cash flow related to the reclamation activities.

Equipment and right of use assets

Equipment and right of use assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income (loss) during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income (loss).

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives, except for right of use assets that use the straight line method. The amortization rates applicable to each category of equipment and right of use assets are as follows:

Class	**Amortization rate**
Motor vehicles	30% declining balance
Computer equipment	30% declining balance
Exploration and office equipment	20% declining balance
Right of use asset – office lease	4 years straight line

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

The Company has adopted a residual method with respect to the measurement of shares and warrants issued as units. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued was determined to be the component with the best evidence of fair value. The remaining balance, if any, was allocated to the attached warrants.

Accounting Standards Issued But Not Yet Effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and will have no impact on the Company.

Expressed in Canadian Dollars

3. Receivables

	December 31, 2020 $	December 31, 2019 $
Goods and Service sales tax	23,131	61,021
British Columbia mining exploration tax credits	74,309	1,007,373
Interest receivable and other receivables	6,302	2,624
	103,742	1,071,018

4. Marketable securities

Marketable securities are classified as FVTPL financial instruments and, as a result, are measured at fair market value each reporting period with any change in fair value recognized through the statement of comprehensive income (loss).

	# of shares	Value $
Marketable securities at December 31, 2018	813,200	2,683,560
Sale of securities	(813,200)	(6,017,680)
Fair market value adjustment	-	3,334,120
Marketable securities at December 31, 2020 and 2019	-	-

During the year ended December 31, 2019, the Company sold 813,200 common shares for net proceeds of $3,335,330 and accordingly, the Company recorded a realized loss of $2,682,350.

5. Equipment and right of use assets

	Right of use assets - leases $	Motor Vehicles $	Computer equipment $	Exploration and office equipment $	Total $
Cost:					
At December 31, 2018	-	45,652	76,207	62,484	184,343
Additions	347,048	-	2,087	1,507	350,642
At December 31, 2019	347,048	45,652	78,294	63,991	534,985
Additions	-	-	-	-	-
At December 31, 2020	347,048	45,652	78,294	63,991	534,985
Depreciation:					
At December 31, 2018	-	23,818	33,265	56,816	113,899
Charge for the year	65,073	6,548	7,020	1,282	79,923
At December 31, 2019	65,073	30,366	40,285	58,098	193,822
Charge for the year	86,764	4,585	5,386	1,179	97,914
At December 31, 2020	151,837	34,951	45,671	59,277	291,736
Net book value:					
At December 31, 2019	281,975	15,286	38,009	5,893	341,163
At December 31, 2020	195,211	10,701	32,623	4,714	243,249

Expressed in Canadian Dollars

6. Exploration and evaluation assets

The Company's deferred exploration costs are as follows:

	Balance, December 31, 2018 $	Change in year 2019 $	Balance, December 31, 2019 $	Change in year 2020 $	Balance, December 31, 2020 $
Turnagain Nickel Cobalt Project					
Mineral property interests	179,500	-	179,500	-	179,500
Assays and testing	2,299,514	40,236	2,339,750	20,122	2,359,872
Claims renewal / staking	471,644	7,555	479,199	-	479,199
Drilling	14,343,279	18,478	14,361,757	-	14,361,757
Environmental studies	1,671,686	143,935	1,815,621	87,097	1,902,718
Exploration data management	955,078	10,142	965,220	12,296	977,516
First Nations	221,024	29,444	250,468	25,476	275,944
Geochemistry	111,066	-	111,066	-	111,066
Geological and engineering services	9,606,491	903,283	10,509,774	749,601	11,259,375
Geophysical services	801,643	-	801,643	52,436	854,079
Metallurgy	4,124,650	437,133	4,561,783	347,011	4,908,794
Petrographic work	43,957	-	43,957	-	43,957
Project management	106,015	-	106,015	-	106,015
Survey, mapping and camp	2,574,205	196,228	2,770,433	122,350	2,892,783
Transportation	2,877,751	107,190	2,984,941	15,504	3,000,445
Advances	-	71,645	71,645	(71,645)	-
Cost recovery	(56,480)	-	(56,480)	-	(56,480)
Asset retirement obligations	-	200,000	200,000	75,000	275,000
Property impairments	(33,058,924)	-	(33,058,924)	-	(33,058,924)
BC refundable mining exploration tax credits	(3,100,268)	(108,226)	(3,208,494)	(19,978)	(3,228,472)
Federal non-refundable mining tax credits, net of valuation allowance	(61,185)	-	(61,185)	-	(61,185)
Book value at date of sale of net smelter royalty	(1,777,377)	-	(1,777,377)	-	(1,777,377)
	2,333,269	2,057,043	4,390,312	1,415,270	5,805,582
Brazil Project					
Claims renewal / staking	-	-	-	3,258	3,258
	2,333,269	2,057,043	4,390,312	1,418,528	5,808,840

Expressed in Canadian Dollars

Turnagain Cobalt Nickel Project

The Company has a 100% interest in certain mineral claims, located along the Turnagain River in British Columbia, Canada. One claim is subject to a 4% net smelter return royalty ("NSR"). The Company has the option to purchase all or part of the NSR within four years of commercial production for a price of $1,000,000 per 1% NSR.

In July 2018, the Company sold a 2% NSR on all future metal production from the Turnagain Nickel-Cobalt Project. The Company has the right to repurchase 0.5% of the 2% NSR ("Repurchase Option") for US$20 million, which if exercised would result in a 1.5% remaining NSR. The one-time Repurchase Option is only exercisable prior to the fifth anniversary of the NSR Agreement. The purchaser of the NSR has a right of first refusal on any future sale by Giga Metals of a royalty or product stream or similar instrument.

Brazil Project

In December 2020, the Company staked 24 exploration permits in southern Piauí State, Northeast Region, Brazil.

7. Trade payables and accrued liabilities

	December 31, 2020 $	December 31, 2019 $
Trade payables	81,291	235,421
Accrued liabilities	49,408	148,364
	130,699	383,785

8. Lease obligations

The Company entered into an office lease in April 1, 2019 and the Company recognized a lease obligation with respect to the lease. The terms and the outstanding balances as at December 31, 2020 and 2019 are as follows:

	2020 $	2019 $
Right-of-use asset from office lease repayable in monthly instalments of $9,364 and an interest rate of 12.5% per annum and an end date of March 31, 2023	217,394	293,464
Less: current portion	(88,182)	(76,070)
Non-current portion	129,212	217,394

The following is a schedule of the Company's future minimum lease payments related to the office lease obligation:

Expressed in Canadian Dollars

	December 31, 2020 $
2021	109,227
2022	111,609
2023	28,051
2024	-
Total minimum lease payments	248,887
Less: imputed interest	(31,493)
Total present value of minimum lease payments	217,394
Less: current portion	(88,182)
Non-current portion	129,212

The Company subleases part of their office space to other companies. One sublease with a related party (Note 13) is month to month lease at a rate of $2,346 per month and one sublease is for a period of four years at $1,374 per month. The total lease income from the subleasing of the office for the year ended December 31, 2020 was $44,515 (2019 - $39,937).

9. Loan

During the year ended December 31, 2020, the Company obtained an unsecured $40,000 loan as part of the government's economic response plan to the COVID-19 pandemic. The loan is interest free and is eligible for 25% forgiveness if $30,000 is fully repaid by December 31, 2022. If not repaid in full by the maturity date, the loan will be converted into a loan at a fixed interest rate of 5% per annum with a maturity date of December 31, 2025.

10. Income taxes and mining tax credits

The actual income tax provision differs from the expected amounts calculated by applying the Canadian combined statutory federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of the Company's income tax recovery are as follows:

	Year ended December 31, 2020 $	Year ended December 31, 2019 $
Loss before income taxes	(2,021,798)	(1,663,674)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(545,885)	(449,192)
Items not deductible for tax and other	166,712	52,943
True-up	15,912	(287,716)
Change in unrecognized tax benefits	363,261	683,965
Income tax recovery	-	-

Expressed in Canadian Dollars

The Company has the following deferred tax assets and liabilities:

	December 31, 2020 $	December 31, 2019 $
Federal investment tax credits	654,183	654,183
Exploration and evaluation assets	2,964,165	3,309,945
Reclamation obligation	74,250	54,000
Non-capital loss carryforwards	4,497,449	3,804,719
Other	607,614	611,555
Unrecognized deferred tax assets	(8,797,661)	(8,434,402)
	-	-

The tax pools relating to these deferred tax assets expire as follows:

	Canadian resource pools $	Non-capital losses $	Other $	Canadian federal investment tax credit losses $
2025	-	-	-	24,847
2026	-	1,175	-	-
2027	-	1,467,887	-	91,030
2028	-	2,559,941	-	57,677
2029	-	2,621,029	-	234,667
2030	-	2,388,895	-	245,962
2031	-	1,392,745	-	-
2032	-	818,329	-	-
2033	-	202,411	-	-
2034	-	266,149	-	-
2035	-	173,814	-	-
2036	-	152,243	-	-
2037	-	307,139	-	-
2038	-	-	-	-
2039	-	2,874,272	-	-
2040	-	1,403,172	-	-
No expiry	16,787,229	-	4,088,060	-
	16,787,229	16,629,201	4,088,060	654,183

The Company also has $28,019 of tax losses in Brazil, where they can be carried forward to future tax years with no time limit.

11. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2020, there were 70,344,850 issued and fully paid common shares (2019 – 55,494,015).

Expressed in Canadian Dollars

Financings

During the year ended December 31, 2020 and 2019, the Company did not complete any equity financings. During the years, certain stock options and warrants were exercised as noted below.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2020 was based on the loss attributable to common shareholders of $2,021,798 (2019 - $1,663,674) and the weighted average number of common shares outstanding of 60,475,382 (2019 – 51,169,610).

Diluted loss per share did not include the effect of 7,000,000 stock options and 240,000 warrants as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relations and technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

On exercise, each option allows the holder to purchase one common share of the Company. The changes in options during the years ended December 31, 2020 and 2019 are as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning	5,535,000	$ 0.34	3,960,000	$ 0.36
Options granted	5,625,000	0.52	2,175,000	0.30
Options exercised	(4,060,000)	0.35	(375,000)	0.10
Options expired/forfeited	(100,000)	0.30	(225,000)	0.64
Options outstanding, ending	7,000,000	$ 0.48	5,535,000	$ 0.34
Options exercisable, ending	2,731,250	$ 0.42	5,253,750	$ 0.34

The weighted average share price on the date of option exercise during the year ended December 31, 2020 was $1.45 (2019 - $0.32).

Expressed in Canadian Dollars

Details of options outstanding as at December 31, 2020 are as follows:

Exercise price	Weighted average contractual life	Number of options outstanding
$0.10	0.50 years	500,000
$0.30	3.57 years	50,000
$0.35	2.96 years	300,000
$0.40	1.76 years	150,000
$0.52	5.00 years	5,625,000
$0.55	2.10 years	300,000
$0.60	1.82 years	75,000
$0.48	4.35 years	7,000,000

Stock-based compensation

During the year ended December 31, 2020, the Company granted 5,625,000 stock options (2019 – 2,175,000 stock options), the weighted average grant date fair value of the options was $0.44 per option (2019 – $0.22). The stock options vest as to 25% on the grant date and 25% every year thereafter. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	2020	2019
Share price	$0.51	$0.25
Exercise price	$0.52	$0.30
Expected life of options	5.0 years	4.9 years
Annualized volatility	130%	149%
Risk-free interest rate	0.80%	2.10%
Dividend rate	0%	0%

The expected volatility was calculated using the historical stock prices of the Company.

During the year ended December 31, 2020, the Company recorded $615,545 (2019 - $515,620) of stock-based compensation to the statement of comprehensive loss based on the vesting of stock options granted.

Warrants

On exercise, each warrant allows the holder to purchase one common share of the Company. The changes in warrants outstanding during the years ended December 31, 2020 and 2019 are as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Number of warrants	Average exercise price	Number of warrants	Average exercise price
Warrants outstanding, beginning	11,870,001	$ 0.29	23,876,801	$ 0.20
Warrants issued	-		-	
Warrants exercised	(10,790,835)	0.25	(11,970,000)	0.10
Warrants expired	(839,166)	0.70	(36,800)	0.70
Warrants outstanding, ending	240,000	$ 0.70	11,870,001	$ 0.29

Expressed in Canadian Dollars

Details of warrants outstanding as at December 31, 2020 are as follows:

Exercise price	Weighted average contractual life	Number of warrants outstanding
$0.70	0.01 years	(1)240,000
$0.70	0.01 years	240,000

(1) Subsequent to December 31, 2020, these warrants expired unexercised.

12. Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and the fair value of agent's warrants until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

13. Related party transactions

	2020 $	2019 $
Accounting fees	32,702	31,132
Directors' fees	66,000	71,427
Management fees	228,000	160,500
Stock-based compensation	473,963	355,333
	800,665	618,392

There was $1,943 owing to related parties at December 31, 2020 (2019 - $2,284) included in accounts payable. The balances owing are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management includes the Chief Executive Officer, the Chief Financial Officer and the directors of the Company. Compensation paid or payable to key management for services during the year ended December 31, 2020 amounted to $272,702 (2019 - $205,059) for short-term benefits and $473,963 (2019 - $355,333) for stock-based compensation.

The Company has a month to month office sublease with a company with common directors (Note 8). During the year ended December 31, 2020, the Company recorded office sublease income of $28,147 (2019 - $28,147) relating to the sublease.

14. Financial instruments and financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. All of the cash is deposited in bank accounts held with one major bank in Canada. Since all of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents as well as the timing of British Columbia mining tax credits.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's liabilities as at December 31, 2020:

	Within one year	Between one and five years	More than five years
Trade payables and accrued liabilities	$ 130,699	$ -	$ -
Lease obligation	88,182	129,212	-
Loan	-	40,000	-
Asset retirement obligations	-	-	275,000
	$ 218,881	$ 169,212	$ 275,000

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has exposure to foreign exchange risk with respect to its cash balances. As at December 31, 2020, the Company had cash held in US dollars of US$84,918 and Brazilian Reals of R$37,915.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any significant interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value of a financial instrument changes due to market risks other than foreign exchange risk or interest rate risk. The Company has no exposure to this risk.

Expressed in Canadian Dollars

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	December 31, 2020 $	December 31, 2019 $
Amortized cost:		
Interest receivable and other receivables	6,302	2,624
Reclamation deposits	232,000	232,000
Fair value through profit or loss:		
Cash and cash equivalents	3,762,980	1,640,642
	4,001,282	1,875,266

Financial liabilities included in the statement of financial position are as follows:

	December 31, 2020 $	December 31, 2019 $
Amortized cost:		
Trade payables and accrued liabilities	130,699	383,785
Lease obligation	217,394	293,464
Loan	40,000	-
	388,093	677,249

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at December 31, 2020 and 2019:

	As at December 31, 2020		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 3,762,980	$ -	$ -
Total	$ 3,762,980	$ -	$ -

	As at December 31, 2019		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,640,642	$ -	$ -
Total	$ 1,640,642	$ -	$ -

15. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash.

There were no changes in the Company's approach to capital management during the year ended December 31, 2020 and no restrictions.

16. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the year ended December 31, 2020, the following transactions were excluded from the statement of cash flows:

a) Exploration and evaluation asset expenditures of $31,552 included in accounts payable and accrued liabilities at December 31, 2020, less expenditures included in accounts payable at December 31, 2019 of $315,597 (net inclusion of $284,045);

b) Exploration and evaluation asset recovery of $nil included in receivables at December 31, 2020, less amount included in receivables at December 31, 2019 of $1,007,373 (net inclusion of $1,007,373);

c) The transfer from share-based payment reserve to share capital of $961,603, representing the book value of stock options and warrants exercised; and,

d) Asset retirement obligations of $75,000 included in exploration and evaluation assets.

During the year ended December 31, 2019, the following transactions were excluded from the statement of cash flows:

a) Exploration and evaluation asset expenditures of $315,597 included in accounts payable and accrued liabilities at December 31, 2019, less expenditures included in accounts payable at December 31, 2018 of $216,360 (net exclusion of $99,237);

b) Exploration and evaluation asset recovery of $1,007,373 included in receivables at December 31, 2019; and,

c) Asset retirement obligations of $200,000 included in exploration and evaluation assets.

17. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's assets are primarily located in Canada. At December 31, 2020, the Company's assets are located in Canada except for $15,540 of assets located in Brazil.

18. Subsequent events

Equity financings

On April 23, 2021, the Company completed a marketed public offering of 13,667,755 units (the "Units") of the Company, including 1,067,755 Units issued pursuant to the over-allotment option which was exercised in part, for gross proceeds of $6,466,708.

The Units consist of 8,397,455 non-flow through units priced at $0.45 comprised of one common share and one warrant, and 5,270,300 flow through units priced at $0.51 comprised of one flow through common share and one warrant. Each warrant entitles the holder thereof to purchase one non-flow through common share at a price of $0.60 until April 23, 2024.

In connection with the offering, the Company paid a cash commission equal to 6.5% of the gross proceeds and a number of compensation warrants equal to 6.5% of the Units sold under the offering. Each compensation warrant shall entitle the holder thereof to purchase one unit (on a non-flow through basis) having the same terms as a Unit at the exercise price of $0.45 until April 23, 2024.

On April 27, 2021, the Company completed a private placement of 1,015,823 units of the Company. The units consist of 600,000 non-flow through units priced at $0.45 comprised of one common share and one common share purchase warrant, and 415,823 flow through units priced at $0.51 comprised of one flow through common share and one warrant. Each warrant entitles the holder thereof to purchase one non-flow through common share at a price of $0.60 until April 27, 2024. In connection with the offering, the Company paid a cash commission equal to 6.5% of the gross proceeds.