GGL RESOURCES CORP.

Financial Statements

November 30, 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
GGL Resources Corp.

Opinion

We have audited the accompanying financial statements of GGL Resources Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2020 and 2019, and the statements of changes in shareholders' equity, loss and comprehensive loss, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Glenn Parchomchuk.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

March 26, 2021

GGL Resources Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30, 2020 and November 30, 2019

	Note	**November 30, 2020 $**	November 30, 2019 $
Assets			
Current assets			
Cash and cash equivalents	3	2,227,795	207,016
Receivables and prepayments	4	44,693	34,574
Marketable securities	5	1	1
		2,272,489	241,591
Non-current assets			
Mineral property interests	6	2,462,014	2,070,022
Reclamation deposits	7	83,147	76,400
Property and equipment	8	17,628	22,036
Total assets		**4,835,278**	2,410,049
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		129,013	52,311
Accounts payable to related parties	11	45,882	24,854
Flow-through premium liability	9,15	2,745	-
		177,640	77,165
Non-current liabilities			
Bank loan	16	40,000	-
Total liabilities		**217,640**	77,165
Shareholders' equity			
Share capital	9	40,349,872	37,784,747
Contributed surplus	9	270,469	226,488
Commitment to issue shares	9	-	40,182
Deficit		(36,002,703)	(35,718,533)
Total shareholders' equity		**4,617,638**	2,332,884
Total liabilities and shareholders' equity		**4,835,278**	2,410,049
Nature of operations and going concern	1		
Subsequent event	17		

Approved on behalf of the Board of Directors on March 26, 2021:

"W. Douglas Eaton" **Director** *"David Kelsch"* **Director**

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

GGL Resources Corp.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

For the years ended November 30, 2020 and November 30, 2019

	Number of shares #	Share capital $	Contributed surplus $	Commitment to issue shares $	Deficit $	Total Shareholders' equity $
December 1, 2018	22,096,949	37,474,159	179,613	-	(34,993,376)	2,660,396
Private placement units issued	4,687,500	339,125	46,875	-	-	386,000
Flow-through premium liability	-	(11,000)	-	-	-	(11,000)
Share issue costs	-	(17,537)	-	-	-	(17,537)
Shares for services - commitment to issue	-	-	-	40,182	-	40,182
Loss and comprehensive loss for the year	-	-	-	-	(725,157)	(725,157)
November 30, 2019	26,784,449	37,784,747	226,488	40,182	(35,718,533)	2,332,884
December 1, 2019	26,784,449	37,784,747	226,488	40,182	(35,718,533)	2,332,884
Private placement shares issued	12,000,000	1,900,000	-	-	-	1,900,000
Private placement units issued	3,030,302	300,000	-	-	-	300,000
Flow-through premium liability	-	(27,273)	-	-	-	(27,273)
Share issue costs	-	(73,046)	-	-	-	(73,046)
Shares issued for services	502,273	40,182	-	(40,182)	-	-
Exercise of stock options	50,000	12,500	-	-	-	12,500
Re-allocated on exercise of stock options	-	3,262	(3,262)	-	-	-
Re-allocated on cancellation of stock options	-	-	(27,778)	-	27,778	-
Re-allocated on expiry of stock options	-	-	(13,047)	-	13,047	-
Exercise of warrants	2,579,166	386,875	-	-	-	386,875
Re-allocated on exercise of warrants	-	22,625	(22,625)	-	-	-
Share-based payments	-	-	110,693	-	-	110,693
Loss and comprehensive loss for the year	-	-	-	-	(324,995)	(324,995)
November 30, 2020	**44,946,190**	**40,349,872**	**270,469**	**-**	**(36,002,703)**	**4,617,638**

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

GGL Resources Corp.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended November 30, 2020 and November 30, 2019

	Note	**November 30, 2020 $**	November 30, 2019 $
Expenses			
Depreciation	8	4,408	5,508
General administrative expenses		16,961	22,426
Insurance		19,827	16,222
Investor relations and shareholder information		14,368	5,750
Management, administrative and corporate development fees	11	81,576	130,957
Office rent	11	18,000	18,000
Professional fees	11	60,704	62,704
Property examination costs		5,276	23,110
Share-based payments	9,11	110,693	-
Transfer agent and filing fees		10,585	11,574
Loss from operating expenses		**(342,398)**	(296,251)
Interest income		2,300	2,956
License fee	6(d)	-	30,000
Gain on marketable securities	5	-	15,000
Settlement of flow-through premium liability	9,15	24,528	11,000
Fair value adjustment on commitment to issue shares	9	-	(2,119)
Write-off of mineral property interests	6	(9,425)	(485,468)
Loss on write-off of property and equipment	8	-	(275)
Loss and comprehensive loss for the year		**(324,995)**	(725,157)
Loss per share			
Weighted average number of common shares outstanding			
- basic #	10	**30,716,707**	24,485,648
- diluted #	10	**30,716,707**	24,485,648
Basic loss per share $	10	**(0.01)**	(0.03)
Diluted loss per share $	10	**(0.01)**	(0.03)

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

GGL Resources Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended November 30, 2020 and November 30, 2019

	Note	**November 30, 2020 $**	November 30, 2019 $
Operating activities			
Loss and comprehensive loss for the year		(324,995)	(725,157)
Adjustments for:			
Depreciation		4,408	5,508
Share-based payments		110,693	-
Shares for services - commitment to issue		-	17,168
Gain on marketable securities		-	(15,000)
Settlement of flow-through premium liability		(24,528)	(11,000)
Fair value adjustment on commitment to issue shares		-	2,119
Write-off of mineral property interests		9,425	485,468
Loss on write-off of property and equipment		-	275
Net change in non-cash working capital items	13	(30,670)	(12,945)
		(255,667)	(253,564)
Financing activities			
Proceeds from bank loan	16	40,000	-
Issue of shares/units for cash		2,599,375	386,000
Share issue costs		(59,094)	(17,537)
		2,580,281	368,463
Investing activities			
Reclamation deposits		(6,747)	-
Proceeds from sale of marketable securities		-	110,000
Exploration incentive received	6(a)(vii)	14,281	24,120
Mineral property acquisition costs		(83,754)	-
Deferred exploration and evaluation expenditures		(227,615)	(253,358)
		(303,835)	(119,238)
Increase (decrease) in cash and cash equivalents		**2,020,779**	(4,339)
Cash and cash equivalents, beginning of year		**207,016**	211,355
Cash and cash equivalents, end of year		**2,227,795**	207,016
Supplemental cash flow information	13		

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

1. Nature of operations and going concern

GGL Resources Corp. (the “Company”) was incorporated in British Columbia on May 25, 1981 under the provisions of the British Columbia Company Act and has extra territorial registration in the Northwest Territories and Nunavut. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “GGL”. The Company’s address is 1016 - 510 West Hastings Street, Vancouver, BC, V6B 1L8. The Company’s records office and registered address is 1710 - 1177 West Hastings Street, Vancouver, BC, V6E 2L3, Canada.

The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date, less impairments, and do not necessarily represent present or future values.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on property option or sale proceeds, loans and share capital financing to cover its operating expenses.

As at November 30, 2020, the Company had working capital of $2,094,849 (November 30, 2019 - $164,426) and shareholders’ equity of $4,617,638 (November 30, 2019 - $2,332,884). During the year ended November 30, 2020, the Company secured funding primarily from the exercise of warrants and private placements, to enable it to carry on as a going concern beyond one year. Management has assessed that the Company’s working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company’s assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s ability to raise capital or conduct exploration activities. There are various community travel restrictions and health and safety concerns in all areas in which the Company operates, including the Northwest Territories, Nunavut, British Columbia, and Nevada, USA that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services, and safeguarding all personnel during the outbreak, which may be prohibitive or too costly. Various Government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic. To the date of these financial statements, the Company received assistance in the form of a $40,000 government loan (Note 16). The various programs are constantly being expanded and relaxed, which may qualify the Company for additional assistance. In addition, the deadline for the Company to spend its flow-through funds has been extended by one year (Note 15).

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars which is the functional currency of the Company.

The prior year figures for depreciation and general and administrative expenses within the statements of loss and comprehensive loss were reclassified to conform to the current year's presentation.

(b) Financial instruments

The Company classifies its financial instruments in the following categories: as fair value through profit or loss ("FVTPL"), financial assets at amortized cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition. The Company accounts for non-derivative financial assets and liabilities as follows:

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and

(b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

2. Significant accounting policies (continued)

(c) Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the year the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the year the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds estimated reserves, an impairment provision is recorded.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

(d) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation of the property and equipment is provided over the estimated useful lives of the assets on a declining-balance basis, unless otherwise noted, at the following annual rates:

Office furniture	20%
Exploration equipment	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The useful lives are reviewed annually.

2. Significant accounting policies (continued)

(e) Impairment

(i) Financial assets

Impairment provisions for receivables are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit loss model ("ECL"). During this process, the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables. For receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within profit or loss. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written-off against the associated provision.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

(ii) Non-financial assets

Non-financial assets are reviewed at each reporting period by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in Note 2(c) above.

(f) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as contributed surplus.

Warrants issued on a standalone basis are valued using the Black-Scholes option pricing model.

(g) Flow-through share private placements

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability.

The deferred income tax liability and reversal of the flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

2. Significant accounting policies (continued)

(h) Share-based payments

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised the consideration received is recorded as share capital and the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from contributed surplus and credited to deficit.

(i) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

The Company has no known restoration, rehabilitation, or environmental costs, of any significance, related to its mineral property interests.

2. Significant accounting policies (continued)

(j) Foreign currency transactions

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of 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 items that are measured in terms of historical cost in a foreign currency are not retranslated.

(k) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(l) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

2. Significant accounting policies (continued)

(m) Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares and/or warrants received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the underlying asset value of the shares, or value of the claims under option or sale. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the shares received.

(ii) The determination of the fair value of stock options or warrants using the Black-Scholes option pricing model requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

(iii) Depreciation expenses are allocated based on the economic lives of capital assets and depreciation rates. Should the economic life or depreciation rate differ from the initial estimate, an adjustment would be made in the statements of loss and comprehensive loss.

Judgments

(i) Recorded costs of mineral property interests are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could result in material differences between the recorded costs and the present or future values of the properties. Management is required, at each reporting date, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects, and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(n) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2021. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

(Expressed in Canadian Dollars)

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	November 30, 2020	November 30, 2019
	$	$
Cash (Note 15)	172,795	37,016
Guranteed investment certificates	2,055,000	170,000
	2,227,795	207,016

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	November 30, 2020	November 30, 2019
	$	$
Sales tax recoverable	10,431	4,001
Exploration incentives receivable	2,827	14,281
Other receivables	810	1,389
Prepaid expenses	30,625	14,903
	44,693	34,574

As at November 30, 2020 and November 30, 2019, exploration incentives receivable comprises British Columbia Mining Exploration Tax Credits (“BCMETC”) relating to the McConnell Creek project (Note 6(a)(vii)).

5. Marketable securities

Marketable securities consist of common shares received on the option of mineral property interests.

As at November 30, 2020, the Company holds 500,000 common shares of a private company at a $1 nominal value, as there is no market or supportable fair value for the common shares. There was no gain or loss recognized on the common shares for the year ended November 30, 2020.

During the year ended November 30, 2019, the Company sold all of its 1,000,000 Silver Range Resources Ltd. (“Silver Range”) common shares to a company controlled by the Company’s CEO for proceeds of $110,000. The Silver Range common shares were originally received under an option agreement at a fair value of $200,000. The sale resulted in a realized loss of $90,000, which is offset by the reversal of prior years’ unrealized losses, for a net gain of $15,000 for the year ended November 30, 2019.

As at November 30, 2020 and November 30, 2019, the Company did not hold any Silver Range common shares.

(Expressed in Canadian Dollars)

6. Mineral property interests

The Company's mineral property interests consist of exploration stage mineral properties located in the Northwest Territories, Nunavut, and British Columbia in Canada and in Nevada, USA. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects.

Changes in the project carrying amounts for the year ended November 30, 2020 are summarized as follows:

	December 1, 2019 $	Acquisitions / staking $	Exploration and evaluation, net $	Write-offs $	November 30, 2020 $
Fishback Lake	-	-	2,205	(2,205)	-
CH	750,323	-	10,214	-	760,537
Bishop	235,231	-	2,034	-	237,265
Rhombus	164,166	-	-	-	164,166
Providence Greenstone Belt	-	-	7,220	(7,220)	-
Stein	150,285	-	875	-	151,160
McConnell Creek	770,017	2,014	135,087	-	907,118
Gold Point	-	81,740	160,028	-	241,768
Total	**2,070,022**	**83,754**	**317,663**	**(9,425)**	**2,462,014**

	December 1, 2019 $	Additions, net $	Write-offs $	November 30, 2020 $
Acquisitions / staking	311,185	83,754	-	394,939
Exploration and evaluation	1,758,837	317,663	(9,425)	2,067,075
Total	**2,070,022**	**401,417**	**(9,425)**	**2,462,014**

(Expressed in Canadian Dollars)

6. **Mineral property interests** (continued)

Changes in the project carrying amounts for the year ended November 30, 2019 are summarized as follows:

	December 1, 2018 $	Reclassification $	Acquisitions / staking $	Exploration and evaluation, net $	Write-offs $	November 30, 2019 $
Fishback Lake	53,679	-	-	1,709	(55,388)	-
CH	633,905	64,440	-	51,978	-	750,323
Bishop	218,073	-	-	17,158	-	235,231
Rhombus	160,189	-	-	3,977	-	164,166
Zeus	47,046	-	-	-	(47,046)	-
Providence Greenstone Belt	439,681	(64,440)	-	7,793	(383,034)	-
Stein	6,460	-	44,945	98,880	-	150,285
McConnell Creek	736,455	-	-	33,562	-	770,017
Total	2,295,488	-	44,945	215,057	(485,468)	2,070,022

	December 1, 2018 $	Additions, net $	Write-offs $	November 30, 2019 $
Acquisitions / staking	317,772	44,945	(51,532)	311,185
Exploration and evaluation	1,977,716	215,057	(433,936)	1,758,837
Total	2,295,488	260,002	(485,468)	2,070,022

Exploration and evaluation expenditures on the projects for the years ended November 30, 2020 and November 30, 2019, consisted of the following:

	November 30, 2020 **$**	November 30, 2019 $
Assays	9,626	10,959
Field	39,132	50,066
Labour	92,225	88,620
Survey and consulting	164,358	77,891
Travel and accommodation	15,149	1,802
	320,490	229,338
Less: BCMETC (Note 6(a)(vii))	(2,827)	(14,281)
Total	**317,663**	215,057

6. Mineral property interests (continued)

(a) Wholly-owned projects

(i) Fishback Lake, Northwest Territories, Canada

The Company owns one mining lease.

During the year ended November 30, 2020, a write-off of $2,205 (2019 - $55,388) was recorded against the Fishback Lake project as the Company has no current or future budgeted exploration programs in place for this project.

(ii) CH, Northwest Territories, Canada

The Company owns various claims and leases north-northeast of Yellowknife which include the Starfish, and Zip projects.

During the year ended November 30, 2019, the Company reclassified cumulative exploration costs of $64,440 in connection with certain Zip claims that were previously recorded within the Providence Greenstone Belt project, as discussed below.

(iii) Providence Greenstone Belt (“PGB”), Northwest Territories, Canada

The Company owns various leases in the PGB area of the Northwest Territories.

During the year ended November 30, 2020, a write-off of $7,220 (2019 - $383,034) was recorded against the PGB project. No current or future budgeted exploration programs are in place for this project.

During the year ended November 30, 2019, the Company reclassified cumulative exploration costs of $64,440 from the PGB project to the CH project, representing historical costs incurred on certain Zip tenures which otherwise make up a portion of the CH project.

(iv) Bishop, Northwest Territories, Canada

The Company owns various claims and leases north-northeast of Yellowknife.

(v) Rhombus, Northwest Territories, Canada

The Company owns various claims and leases north-northeast of Yellowknife.

(vi) Zeus, Northwest Territories, Canada

The Company no longer owns any Zeus claims.

During the year ended November 30, 2019, a write-off of $47,046 was recorded against the Zeus project as the Company has no current or future budgeted exploration programs in place for this project.

(vii) McConnell Creek, British Columbia, Canada

The Company owns various mineral claims in the Omineca Mining Division of British Columbia.

As at November 30, 2020, the Company has accrued BCMETC recoveries of $2,827 (November 30, 2019 - $14,281) (Note 4). Additionally, the Company received payment of its BCMETC refund filed for the year ended November 30, 2019 of $14,281 during the current year (2019 - $24,120 received).

6. **Mineral property interests** (continued)

(b) Projects under option

(i) Stein, Nunavut, Canada

The Company has an option agreement with Arctic Star Exploration Corp. ("Arctic Star") whereby it can earn a 60% interest in Arctic Star's wholly-owned Stein Diamond Project in Nunavut, Canada. The Stein Diamond Project consists various claims on the Southern Boothia Peninsula.

The Company can acquire a 60% undivided interest in the Stein Diamond Project by conducting detailed ground geophysics on high priority airborne targets, discovering kimberlite by drilling, trenching or in outcrop, and by converting prospecting permits to mineral claims. Upon discovery of kimberlite, a joint venture would be formed with an initial 60/40 contributing relationship. The project has a Class A land use permit that includes drilling.

(ii) Gold Point Property, Nevada, USA - option agreements:

On July 27, 2020, the Company entered into three option agreements in respect of contiguous parcels of mining claims in Nevada, collectively referred to as the Gold Point Property.

(1) The Company signed an option agreement with a private Nevada corporation (the "Optionor"), allowing the Company to earn a 100% interest in the LBD property. Pursuant to the terms of the option agreement, the Company can acquire the project by making cash payments and incurring aggregate minimum exploration expenditures as follows:

Cash payments of US$1,000,000:

- USD$25,000 upon the execution of the option agreement (paid, $33,831 plus additional staking costs of $5,330 (USD$4,000));
- USD$50,000 on or before July 31, 2021;
- USD$100,000 on or before July 31, 2022;
- USD$175,000 on or before July 31, 2023;
- USD$250,000 on or before July 31, 2024 and
- USD$400,000 on or before July 31, 2025;

Minimum expenditures of US$850,000:

- USD$100,000 on or before July 31, 2021;
- USD$150,000 on or before July 31, 2022;
- USD$200,000 on or before July 31, 2023;
- USD$200,000 on or before July 31, 2024 and
- USD$200,000 on or before July 31, 2025;

The Optionor will retain a 2% NSR on all material production from the property, of which up to 1% can be purchased by the Company for US$1,000,000.

(2) The Company signed an option agreement with Silver Range, allowing the Company to earn a 75% interest in the EGP property. Pursuant to the terms of the option agreement, the Company can acquire the project by making staged cash payments as detailed below and incurring minimum aggregate exploration expenditures of $1,500,000 on or before July 31, 2023.

Cash payments of $180,000:

- $10,000 upon the execution of the option agreement (paid);
- Reimbursing Silver Range for certain staking costs and fees (paid subsequently, $15,605);
- $20,000 on or before December 31, 2020 (paid subsequently); and
- The aggregate of $150,000 as calculated bi-annually and based on 10% of the expenditures incurred during each of the periods from January 1 to June 30, and July 1 to December 31 (paid subsequently, $28,438).

6. Mineral property interests (continued)

(b) Projects under option (continued)

(ii) Gold Point Property option agreements (continued):

Upon the Company having earned the 75% interest in the EGP property it will enter into a 75%/25% joint venture with Silver Range for further exploration of the project. Additionally, Silver Range will be entitled to receive a one-time cash payment of US$4 per ounce of gold identified in a NI 43-101 compliant measured or indicated resource estimate (or proven or probable reserve estimate) on the project.

(3) The Company signed an option agreement with Silver Range and a private Nevada corporation (collectively, the "Optionors"), allowing the Company to earn a 100% interest in the TOM property. Pursuant to the terms of the option agreement, the Company can acquire the project by incurring aggregate minimum exploration expenditures of US$1,500,000 on or before July 31, 2023 and reimbursing the Optionors for certain staking costs and fees (paid subsequently, $7,228).

Upon the Company having earned the 100% interest in the TOM property, the Optionors will be entitled to receive a one-time cash payment of US$1 per ounce of gold identified in a NI 43-101 compliant measured or indicated resource estimate (or proven or probable reserve estimate) on the project.

Additionally, the Optionors shall each retain a 1% NSR on all mineral production from the property, of which up to 1% can be purchased by the Company for a payment of US$2 per ounce on the first 250,000 ounces of gold contained in any measured or indicated resource estimate (or proven or probable reserve estimate), and US$1 per ounce of gold above 250,000 ounces thereafter.

(c) Other interests

Net Returns Royalty ("NR") – Doyle leases

During the year ended November 30, 2013, the Company sold 9 of its mineral leases and 2 reinstated leases, including Bob Camp, to Kennady Diamonds Inc. ("Kennady"), for $150,000 cash and a retained 1.5% NR on all of the leases, except for one where the Company retains a 0.5% NR. Kennady has the right, at any time prior to commencement of production from the property, to purchase one-third of the NR, for the sum of $2,000,000.

During the year ended November 30, 2016, the Company sold its interest in the remaining 6 Doyle leases to Kennady for $200,000. The Company retains a 0.75% NR on all mineral production from the property. Kennady has the right at any time prior to commencement of production to purchase one-third of the NR, being 0.25%, for the sum of $1,000,000.

(d) License rights

During the year ended November 30, 2019, the Company entered into a License Agreement dated December 19, 2018, with an arm's length party (the "Licensee") whereby the Company granted the Licensee the perpetual right and license to access specified data on areas located in the Northwest Territories for cash proceeds of $30,000, which was recorded as license fee income.

7. Reclamation deposits

The reclamation deposits are pledged to the Ministry of Energy, Mines and Petroleum Resources of British Columbia and the Government of the Northwest Territories. They are invested in guaranteed investment certificates with one-year terms that automatically renew. Management has determined that the Company has no material reclamation work related to the properties requiring the deposits.

(Expressed in Canadian Dollars)

8. Property and equipment

	Office furniture $	Exploration equipment $	Total $
Cost			
December 1, 2018	17,879	392,388	410,267
Less: property and equipment written-off	(4,573)	(1,575)	(6,148)
November 30, 2019	13,306	390,813	404,119
Accumulated depreciation			
December 1, 2018	17,376	365,072	382,448
Depreciation	40	5,468	5,508
Less: property and equipment written-off	(4,363)	(1,510)	(5,873)
November 30, 2019	13,053	369,030	382,083
Cost			
December 1, 2019	13,306	390,813	404,119
November 30, 2020	**13,306**	**390,813**	**404,119**
Accumulated depreciation			
December 1, 2019	13,053	369,030	382,083
Depreciation	33	4,375	4,408
November 30, 2020	**13,086**	**373,405**	**386,491**
Net book value			
November 30, 2019	253	21,783	22,036
November 30, 2020	**220**	**17,408**	**17,628**

There was no write-off of property and equipment during the year ended November 30, 2020 (2019 – write-off of $275).

9. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the year ended November 30, 2020:

- On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting Ltd. ("Dave Kelsch Consulting") with a fair value of $40,182, in settlement of $38,063 in consulting fees (see "Commitment to issue shares" below).

- On May 15, 2020, the Company completed a private placement with Strategic Metals Ltd. ("Strategic") consisting of 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000 (Note 11).

  There were no finders' fees paid in respect of the placement. Share issue costs consisting of legal and filing fees of $4,774, were incurred in respect of the placement which are recorded as a reduction to share capital.

- On July 23, 2020, the Company completed a private placement consisting of the issue of 1,666,666 non-flow-through units at a price of $0.09 each for gross proceeds of $150,000. Each non-flow-through unit consisted of one non-flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until July 23, 2021. The residual value of the warrants attached to the non-flow-through units was determined to be $nil.

- On July 23, 2020, the Company completed a private placement consisting of the issue of 1,363,636 flow-through units at a price of $0.11 each for gross proceeds of $150,000. Each flow-through unit consisted of one flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at a price of $0.15 until July 23, 2021.

  The flow-through units were issued at a premium to the trading value of the Company's common shares which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $27,273 and was recorded as a reduction of share capital with an offset to flow-through premium liability. The premium is being reversed pro rata upon the required exploration expenditures being completed and recorded as income on settlement of the flow-through premium liability. The residual value of the warrants attached to the flow-through units was determined to be $nil.

  A finder's fee of $1,200 was paid in respect of the placement. Additionally, share issue costs consisting of legal and filing fees of $12,573 were incurred in respect of the placements which are recorded as a reduction to share capital.

- On September 10, 2020, the Company issued common shares pursuant to the exercise of 2,579,166 share purchase warrants at a price of $0.15 each for gross proceeds of $386,875. Of the share purchase warrants exercised, 700,000 warrants were exercised by a company controlled by the Company's CEO, and 1,879,166 warrants were exercised by Strategic. In connection with the warrants exercised, the original fair value of $22,625 was reversed from contributed surplus and credited to share capital.

- On October 29, 2020, 50,000 stock options were exercised at $0.25 per share for gross proceeds of $12,500. In addition, $3,262 representing the fair value of the stock options granted and vested was reversed from contributed surplus and credited to share capital.

- On November 3, 2020, the Company completed a private placement consisting of the issue of 10,000,000 common shares at a price of $0.18 each for gross proceeds of $1,800,000. A finder's fee of $30,435 was paid in respect of the placement. Share issue costs consisting of legal and filing fees of $24,064 were incurred in respect of the placement which are recorded as a reduction to share capital.

9. Share capital (continued)

Transactions for the issue of share capital during the year ended November 30, 2019:

- On May 28, 2019, the Company completed a private placement consisting of the issue of 4,137,500 non-flow-through units at a price of $0.08 each for gross proceeds of $331,000. Each non-flow-through unit consisted of one non-flow-through common share and one share purchase warrant, with each warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until May 28, 2022.

  The units were issued at a price that exceeded the trading value of the Company's common shares which was a reflection of the residual value of the warrants attached to the private placement units. The residual value of the warrants was determined to be $41,375 and was recorded as a reduction of share capital and an increase in contributed surplus.

- On May 28, 2019, the Company completed a flow-through private placement consisting of the issue of 550,000 flow-through units at a price of $0.10 each for gross proceeds of $55,000. Each unit consisted of one flow-through common share and one share purchase warrant, with each warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until May 28, 2022.

  The flow-through units were issued at a premium to the trading value of the Company's common shares which was a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $11,000 and was recorded as a reduction of share capital. An equivalent flow-through premium liability was recorded, which was reversed as the required exploration expenditures were incurred. A further residual value was allocated to the warrant component of the flow-through units, in the amount of $5,500 and was recorded as a reduction of share capital and an increase in contributed surplus.

  There were no finders' fees paid in respect of the placement. Share issue costs consisting of legal and filing fees of $17,537 were incurred in respect of the placements which were recorded as a reduction to share capital.

Commitment to issue shares

On June 1, 2019, the Company entered into an Amending Agreement (the "Agreement") with Dave Kelsch Consulting a company controlled by the President and COO of the Company, whereby Dave Kelsch Consulting agreed to a consulting fee of $850 per day, of which at least 30% would be paid by cash and the remainder paid in common shares of the Company (Note 11). The Agreement expired on December 31, 2019 and was not renewed.

As at and for the year ended November 30, 2020, there was no accrual for commitment to issue shares.

As at November 30, 2019, a total of 502,273 common shares were accrued and issuable to Dave Kelsch Consulting with a fair value of $40,182 as a commitment to issue shares, including the recognition of a fair value adjustment on commitment to issue shares of $2,119, in settlement of $38,063 in consulting fees, of which $20,895 was recorded within mineral property interests. The common shares were issued to Dave Kelsch Consulting on January 3, 2020.

The consulting fee was paid/accrued on a monthly basis, and the number of common shares issuable by the Company was calculated at the end of each month during which the consulting services were provided, based on the volume weighted average price of the Company's common shares during such month, minus 50% of the maximum discount permitted by the policies of the Exchange. The common shares were issuable semi-annually, and interest was charged at a rate of 2% per month compounded monthly on unpaid amounts and was payable in cash.

During the year ended November 30, 2020, the Company incurred and paid $820 in interest expense to Dave Kelsch Consulting (Note 11). As at November 30, 2019 interest of $1,636 was owed to Dave Kelsch Consulting and was included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

9. Share capital (continued)

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

A summary of the status of the Company's warrants as at November 30, 2020 and November 30, 2019, and changes during the years then ended is as follows:

	Year ended November 30, 2020		Year ended November 30, 2019	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of year	4,687,500	0.15	-	-
Issued	1,515,151	0.15	4,687,500	0.15
Exercised	(2,579,166)	0.15	-	-
Warrants outstanding, end of year	**3,623,485**	**0.15**	4,687,500	0.15

As at November 30, 2020, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
1,198,485	1,198,485	0.15	0.64	July 23, 2021
2,425,000	2,425,000	0.15	1.49	May 28, 2022
3,623,485	**3,623,485**		**1.00**	

Stock options

The Company has a Stock Option Plan (the "Plan") whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the Exchange policies.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is a consultant conducting investor relations activities who is granted options under the plan will have their options become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

(Expressed in Canadian Dollars)

9. Share capital (continued)

Stock options (continued)

A summary of the status of the Company's stock options as at November 30, 2020 and November 30, 2019, and changes during the years then ended is as follows:

	Year ended November 30, 2020		Year ended November 30, 2019	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	#	$	#	$
Options outstanding, beginning of year	1,725,000	0.18	1,725,000	0.18
Granted	1,450,000	0.15	-	-
Exercised	(50,000)	0.25	-	-
Cancelled	(325,000)	0.21	-	-
Expired	(200,000)	0.25	-	-
Options outstanding, end of year	**2,600,000**	**0.15**	1,725,000	0.18

As at November 30, 2020, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Weighted average exercise price $	Weighted average remaining life (years)	Expiry date
1,150,000	1,150,000	0.15	1.93	November 6, 2022
1,450,000	362,500	0.15	4.70	August 10, 2025
2,600,000	**1,512,500**	**0.15**	**2.60**	

During the year ended November 30, 2020, 1,450,000 stock options were granted to Officers, Directors related company employees and consultants. The Company recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payment expense was calculated using the following weighted average assumptions: expected life of options – five years, stock price volatility – 137.94%, no dividend yield, and a risk-free interest rate yield – 0.31%. The fair value is particularly impacted by the Company's stock price volatility, determined using data from the previous five years.

Using the above assumptions, the fair value of options granted during the year ended November 30, 2020, was $0.13 per option, for a total of $190,145. The total share-based payment expense for the year ended November 30, 2020 was $110,693 (2019 - $nil), which is presented as an operating expense, and includes an accrual for the first vesting period which will occur in the next fiscal quarter.

No stock options were granted during the year ended November 30, 2019.

During the year ended November 30, 2020, 325,000 Director and consultant options (2019 – none) were cancelled as a result of the resignation of a former Director of the Company and termination of consulting contracts. As a result, the original share-based payments expense of $27,778 has been reversed from contributed surplus and credited to deficit.

During the year ended November 30, 2020, 200,000 options (2019 – none) expired unexercised. As a result, the original share-based payments expense of $13,047 has been reversed from contributed surplus and credited to deficit.

Contributed surplus

Contributed surplus is comprised of the accumulated fair value of stock options recognized as share-based payments, the residual value of share purchase warrants attached to unit private placements and share purchase warrants recognized within share issue costs. Contributed surplus is increased by the fair value of these items on vesting and is reduced by corresponding amounts when stock options or share purchase warrants expire, are exercised, or cancelled.

10. Loss per share

The calculation of basic and diluted loss per share for the year ended November 30, 2020, is based on the loss attributable to common shareholders of $324,995 (2019 - $725,157) and a weighted average number of common shares outstanding of 30,716,707 (2019 – 24,485,648).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the years presented, as their effect would have been anti-dilutive.

11. Related party payables and transactions

The Company's related parties include key management personnel and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

During the year ended November 30, 2020, 1,250,000 stock options were granted to key management personnel and Directors having a fair value on grant of $164,608. The options granted are exercisable at $0.15 each until August 10, 2025, and vest over a one-year period ending August 10, 2021. No stock options were granted to related parties during the year ended November 30, 2019.

During the year ended November 30, 2020, 175,000 Director stock options (2019 – none) having a fair value on issue of $17,993 (2019 - $nil) were cancelled upon the Director's resignation from the Company.

During the year ended November 30, 2020, $95,425 (2019 - $nil) was recognized within share-based payment expense for stock options granted to key management personnel and Directors.

During the year ended November 30, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting with a fair value of $40,182 (Note 9).

As at November 30, 2020, Strategic had a 38.9% interest in the Company (November 30, 2019 - 43.2%). The Company and Strategic have certain common Officers, and the large share position of Strategic in the Company gives it control of the Company.

On May 15, 2020, the Company completed a private placement with Strategic, whereby Strategic subscribed to 2,000,000 non-flow-through common shares of the Company for gross proceeds of $100,000 (Note 9). Additionally, Strategic subscribed to 633,332 non-flow-through units of the Company for gross proceeds of $57,000 pursuant to the private placement completed on July 23, 2020 (Note 9), as well as 1,408,402 common shares of the Company for gross proceeds of $253,512 pursuant to the private placement completed on November 3, 2020 (Note 9).

During the year ended November 30, 2020, key management personnel and Directors and other related parties subscribed to 211,112 non-flow-through units and 1,063,636 flow-through units of the Company for gross proceeds of $136,000 pursuant to the private placements completed on July 23, 2020 (Note 9), as well as 200,000 common shares of the Company pursuant to the private placement completed on November 3, 2020 (Note 9).

On May 28, 2019, the Company completed a private placement with Strategic whereby Strategic subscribed to 1,562,500 non-flow-through units of the Company for gross proceeds of $125,000 pursuant to the private placement completed during the year then ended. In addition, key management personnel and Directors and other related parties subscribed to 2,262,500 non-flow-through units and 450,000 flow-through units of the private placement, for gross proceeds of $226,000 (Note 9).

The Company transacted with the following related parties:

(a) David Kelsch is a Director of the Company, as well as the President and Chief Operating Officer. He controls Dave Kelsch Consulting, which provides the Company with consulting services, as well as technical and professional services. On June 1, 2019, the Company entered into an Amending Agreement with Dave Kelsch Consulting which expired on December 31, 2019 (Note 9).

(b) Douglas Eaton is a Director and the Company's CEO. He is a shareholder of, and has significant influence over Archer, Cathro & Associates (1981) Limited ("Archer Cathro"), which is a geological consulting firm. Archer Cathro provides the Company with office space, administrative support, and geological services. He is also a Director, President and CEO of Strategic.

(Expressed in Canadian Dollars)

11. Related party payables and transactions (continued)

(c) Glenn Yeadon is a Director and Corporate Secretary of Strategic. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp."), which provides the Company with legal services.

(d) Larry Donaldson is the Company's CFO. He is a principal of Donaldson Brohman Martin, CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services. He is also CFO of Strategic.

(e) Drechsler Consulting Ltd. is controlled by Richard Drechsler, who is Vice-President of Communications for Strategic. Drechsler Consulting Ltd. provides the Company with consulting services.

(f) Linda Knight is the Corporate Secretary of the Company.

The aggregate value of transactions and outstanding balances with related parties are as follows:

		Transactions Year ended November 30, 2020	Transactions Year ended November 30, 2019	**Balances outstanding November 30, 2020**	Balances outstanding November 30, 2019
		$	$	**$**	$
	Dave Kelsch Consulting				
	- geological services	20,795	64,713	1,339	373
(1)	- consulting fees	23,588	59,224	3,123	7,936
		44,383	123,937	4,462	8,309
	Archer Cathro	44,417	19,272	6,485	1,575
(2)	Yeadon Law Corp	31,030	24,075	16,797	-
	DBM CPA	35,900	35,500	11,500	11,500
	Drechsler Consulting Ltd.	20,475	11,970	2,930	-
	Linda Knight	41,140	61,400	3,708	3,470
		217,345	276,154	**45,882**	24,854

(1) Transactions for the year ended November 30, 2020, include $820 in interest expense (2019 - $1,636).
(2) Transactions for the year ended November 30, 2020, include $22,470 in share issue costs (Note 9) (2019 - $14,753).

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Management, administrative and corporate development fees
- Includes the consulting fees charged to the Company by Dave Kelsch Consulting and a related business.
- Includes the consulting fees charged to the Company by Drechsler Consulting Ltd.
- Includes the accounting and administrative services charged to the Company by Linda Knight.

(b) Office rent
- Includes office rent charged to the Company by Archer Cathro.

(c) Professional fees
- Includes legal services charged to the Company by Yeadon Law Corp.
- Includes the accounting services charged to the Company by DBM CPA.

(Expressed in Canadian Dollars)

12. Income taxes

Income tax recovery for the years ended November 30, 2020 and November 30, 2019 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	November 30, 2020	November 30, 2019
	$	$
Loss for the year before income taxes	(324,995)	(725,157)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	88,000	196,000
Change in tax resulting from:		
Unrecognized items for tax purposes	(30,000)	5,000
Share issue costs	20,000	5,000
Tax benefits to be renounced on flow-through expenditures	(36,000)	(15,000)
Flow-through share premium liability reduction	8,000	3,000
Tax benefits on losses not recognized	(50,000)	(194,000)
Income tax recovery	**-**	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

	November 30, 2020	November 30, 2019
	$	$
Mineral property interests	4,053,000	4,088,000
Marketable securities	3,000	3,000
Property and equipment	141,000	140,000
Non-capital loss carry forwards	1,440,000	1,371,000
Capital losses	13,000	13,000
Share issue costs	19,000	5,000
Unrecognized deferred tax assets	(5,669,000)	(5,620,000)
Net deferred tax assets	**-**	-

As at November 30, 2020, the Company has non-capital loss carry forwards of approximately $5,335,000 (November 30, 2019 - $5,076,000) which expire between 2026 and 2040.

As at November 30, 2020 the Company has unused capital losses of approximately $99,000 (November 30, 2019 - $99,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at November 30, 2020, the Company has unclaimed resource and other deductions in the amount of approximately $17,473,000 (November 30, 2019 - $17,212,000), which may be deducted against future taxable income.

As at November 30, 2020, the Company has share issue costs totaling approximately $71,000 (November 30, 2019 - $18,000), which have not been claimed for income tax purposes.

As at November 30, 2020, the Company has unused temporary differences in respect of property and equipment totaling approximately $523,000 (November 30, 2019 - $519,000), which have no expiry.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

(Expressed in Canadian Dollars)

13. Supplemental cash flow information

Changes in non-cash operating working capital during the years ended November 30, 2020 and November 30, 2019, were comprised of the following:

	November 30, 2020 $	November 30, 2019 $
Receivables and prepayments	(35,853)	2,271
Accounts payable and accrued liabilities	3,983	(7,862)
Accounts payable to related parties	1,200	(7,354)
Net Change	**(30,670)**	(12,945)

The Company incurred non-cash financing and investing activities during the years ended November 30, 2020 and November 30, 2019, as follows:

	November 30, 2020 $	November 30, 2019 $
Non-cash financing activities:		
Re-allocated to share capital on issuance for commitment to issue shares	40,182	-
Share capital reduced by flow-through share premium	27,273	11,000
Share issue costs included in accounts payable and related party payables	13,952	-
Share capital reduced by unit warrants issued	-	(46,875)
	81,407	(35,875)
Non-cash investing activities:		
Deferred exploration expenditures included in exploration incentives receivable	(2,827)	(14,281)
Deferred exploration expenditures included in accounts payable and related party payables	103,172	24,577
Value of commitment to issue shares included in mineral property interests	-	20,895
	100,345	31,191

During the year ended November 30, 2020, the Company paid $2,456 in interest expense (Note 9) (2019 - $nil). During the years ended November 30, 2020 and November 30, 2019, no amounts were paid for income tax expenses.

14. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at November 30, 2020, is comprised of shareholders' equity of $4,617,638 (November 30, 2019 - $2,332,884).

The Company currently has no source of revenues. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral property interests and its ability to borrow or raise additional financing from equity markets (Note 1).

There were no changes to the Company's capital management approach during the year ended November 30, 2020.

(Expressed in Canadian Dollars)

14. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, exploration incentives receivable, other receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities, accounts payable to related parties, and bank loan. The carrying value of exploration incentives receivable, other receivables, accounts payable and accrued liabilities, accounts payable to related parties, and bank loan approximate their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
November 30, 2020				
Cash and cash equivalents	2,227,795	-	-	2,227,795
Marketable securities	-	-	1	1
Reclamation deposits	83,147	-	-	83,147
	2,310,942	**-**	**1**	**2,310,943**
November 30, 2019				
Cash and cash equivalents	207,016	-	-	207,016
Marketable securities	-	-	1	1
Reclamation deposits	76,400	-	-	76,400
	283,416	-	1	283,417

There were no changes to the Company's Level 3 inputs and assumptions with respect to its marketable securities during the years ended November 30, 2020 and November 30, 2019 (Note 5).

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, market risk, and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. All of the Company's cash and cash equivalents are held in a Canadian financial institution, and management believes the exposure to credit risk with respect to such an institution is not significant. The Company has minimal receivables exposure as its refundable tax credits, and exploration incentives receivable are due from Canadian Governments.

(b) Interest rate risk

The Company is not exposed to interest rate risk as it does not hold financial securities or debt that would be impacted by fluctuating interest rates other than its cash and cash equivalents some portions of which are subject to variable rates. Fluctuations in market rates would have an insignificant impact on the Company's operations.

(Expressed in Canadian Dollars)

14. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due (Note 1). The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Market risk

The Company is not exposed to market risk as it does not hold publicly traded marketable securities as at November 30, 2020 and November 30, 2019.

(e) Currency risk

The Company is not impacted significantly by currency risk.

15. Commitment

On July 23, 2020, the Company completed a private placement of flow-through units for gross proceeds of $150,000 (Note 9). The Company is required to spend the funds on qualified exploration programs no later than December 31, 2021 and renounce the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2020. As at November 30, 2020, approximately $135,000 of the funds had been spent.

In July 2020, the Canadian Government provided relief with respect to COVID-19 by providing companies with an additional 12 months in which they can spend eligible flow-through expenditures and provided interest relief on unspent funds.

Under the Income Tax Act flow-through look-back rules, the Company now has until December 31, 2022 to spend the remaining amount of flow-through funds. Amounts unspent after February 1, 2021, continue to be subject to a floating rate interest tax of 2% per annum, however the Company anticipates that it will spend all flow-through amounts within the new time-frames announced by the Government, so no interest tax will be applicable.

A summary of the Company's flow-through premium liability as at November 30, 2020 and November 30, 2019, and changes during the years then ended is as follows:

	November 30, 2020 $	November 30, 2019 $
Balance, beginning of year	-	-
Addition	27,273	11,000
Reduction - pro rata based on eligible expenditures	(24,528)	(11,000)
Balance, end of year	**2,745**	-

16. Government guaranteed bank loan

During the year ended November 30, 2020, the Company qualified for a government-guaranteed bank loan of $40,000 which is interest-free until December 31, 2022. The loan is part of the Canadian Emergency Business Account (CEBA) benefit in relation to COVID-19 relief.

If the loan is repaid by December 31, 2022, $10,000 of the loan will be forgiven. If the loan is not repaid by then, the remaining unpaid balance will bear interest at 5% interest per annum and must be paid in full by December 31, 2025. The loan is unsecured.

17. Subsequent event

During January and February 2021, the Company issued 150,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.15 each for gross proceeds of $22,500.