GGL RESOURCES CORP.

Condensed Interim Consolidated Financial Statements

For the nine months ended

August 31, 2021

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GGL Resources Corp.

Condensed Interim Consolidated Statements of Financial Position

Unaudited – Prepared by Management

As at August 31, 2021 and November 30, 2020

	Note	**August 31, 2021** **$**	November 30, 2020 $
Assets			
Current assets			
Cash and cash equivalents	3	795,510	2,227,795
Receivables and prepayments	4	14,024	44,693
Marketable securities	5	1	1
		809,535	2,272,489
Non-current assets			
Mineral property interests	6	3,699,665	2,462,014
Reclamation and other deposits	7	100,663	83,147
Property and equipment	8	14,984	17,628
Total assets		**4,624,847**	4,835,278
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		9,118	129,013
Accounts payable to related parties	11	21,442	45,882
Flow-through premium liability	15	2,745	2,745
		33,305	177,640
Non-current liabilities			
Bank loans	16	60,000	40,000
Total liabilities		**93,305**	217,640
Shareholders' equity			
Share capital	9	40,446,326	40,349,872
Contributed surplus	9	349,721	270,469
Deficit		(36,264,505)	(36,002,703)
Total shareholders' equity		**4,531,542**	4,617,638
Total liabilities and shareholders' equity		**4,624,847**	4,835,278
Nature of operations and going concern	1		
Commitment	15		

Approved on behalf of the Board of Directors on November 1, 2021:

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

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

GGL Resources Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

For the nine months ended August 31, 2021 and August 31, 2020

	Number of shares #	Share capital $	Contributed surplus $	Commitment to issue shares $	Deficit $	Total Shareholders' equity $
December 1, 2019	26,784,449	37,784,747	226,488	40,182	(35,718,533)	2,332,884
Private placement shares issued	2,000,000	100,000	-	-	-	100,000
Private placement units issued	3,030,302	300,000	-	-	-	300,000
Flow-through premium liability	-	(27,273)	-	-	-	(27,273)
Share issue costs	-	(18,547)	-	-	-	(18,547)
Shares issued for services	502,273	40,182	-	(40,182)	-	-
Re-allocated on cancellation of options	-	-	(27,778)	-	27,778	-
Share-based payments	-	-	22,701	-	-	22,701
Loss and comprehensive loss for the period	-	-	-	-	(154,488)	(154,488)
August 31, 2020	32,317,024	38,179,109	221,411	-	(35,845,243)	2,555,277
December 1, 2020	44,946,190	40,349,872	270,469	-	(36,002,703)	4,617,638
Exercise of warrants	636,363	95,454	-	-	-	95,454
Re-allocated on exercise of warrants	-	1,000	(1,000)	-	-	-
Share-based payments	-	-	80,252	-	-	80,252
Loss and comprehensive loss for the period	-	-	-	-	(261,802)	(261,802)
August 31, 2021	**45,582,553**	**40,446,326**	**349,721**	**-**	**(36,264,505)**	**4,531,542**

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

GGL Resources Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management

For the three and nine months ended August 31, 2021 and August 31, 2020

		Three months ended		Nine months ended	
	Note	**August 31, 2021 $**	August 31, 2020 $	**August 31, 2021 $**	August 31, 2020 $
Expenses					
Depreciation	8	882	1,102	2,644	3,306
General administrative expenses		2,708	873	13,019	7,549
Insurance		6,341	4,846	18,966	14,540
Investor relations and shareholder information		4,743	3,265	18,882	8,925
Management, administrative and corporate development fees	11	12,782	20,925	45,443	54,028
Office rent	11	4,500	4,500	13,500	13,500
Professional fees	11	18,398	12,295	49,609	32,064
Property examination costs		5,325	637	11,142	1,162
Share-based payments	9,11	9,210	22,701	80,252	22,701
Transfer agent and filing fees		945	733	13,858	9,631
Loss from operating expenses		**(65,834)**	(71,877)	**(267,315)**	(167,406)
Interest income		1,285	396	6,698	1,698
Settlement of flow-through premium liability	9,15	-	16,060	-	16,060
Write-off of mineral property interests	6	-	-	(1,185)	(4,840)
Loss and comprehensive loss for the period		**(64,549)**	(55,421)	**(261,802)**	(154,488)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	10	**45,489,047**	30,585,423	**45,191,628**	28,439,829
- diluted #	10	**45,489,047**	30,585,423	**45,191,628**	28,439,829
Basic loss per share $	10	**(0.00)**	(0.00)	**(0.01)**	(0.01)
Diluted loss per share $	10	**(0.00)**	(0.00)	**(0.01)**	(0.01)

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

GGL Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows
Unaudited – Prepared by Management

For the nine months ended August 31, 2021 and August 31, 2020

	Note	**August 31, 2021 $**	August 31, 2020 $
Operating activities			
Loss for the period		(261,802)	(154,488)
Adjustments for:			
Depreciation		2,644	3,306
Share-based payments		80,252	22,701
Settlement of flow-through premium liability		-	(16,060)
Write-off of mineral property interests		1,185	4,840
Net change in non-cash working capital items	13	(22,042)	(27,482)
		(199,763)	(167,183)
Financing activities			
Proceeds from bank loan		20,000	-
Issue of shares/units for cash		95,454	400,000
Share issue costs		-	(6,176)
		115,454	393,824
Investing activities			
Reclamation deposits		-	(6,747)
Deposit on refundable drilling permit	7	(17,516)	-
Exploration incentive received	6(a)(vi)	2,827	14,280
Mineral property acquisition costs		(312,544)	(61,327)
Deferred exploration and evaluation expenditures		(1,020,743)	(47,242)
		(1,347,976)	(101,036)
(Decrease) increase in cash and cash equivalents		**(1,432,285)**	125,605
Cash and cash equivalents, beginning of period		**2,227,795**	207,016
Cash and cash equivalents, end of period		**795,510**	332,621
Supplemental cash flow information	13		

The accompanying notes are an integral part of these condensed interim consolidated 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 is registered extra-territorially to conduct operations in the Northwest Territories and Nunavut, Canada. The Company also has a US incorporated subsidiary company as detailed in Note 6. The Company’s head office is located at 1016 - 510 West Hastings Street, Vancouver, BC, V6B 1L8. The Company’s registered and records address is 1710 - 1177 West Hastings Street, Vancouver, BC, V6E 2L3, Canada. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “GGL”.

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.

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 condensed interim consolidated financial statements (the “financial statements”), the Company has received assistance in the form of $60,000 in government-guaranteed bank loans, of which $20,000 was received during the nine months ended August 31, 2021 (Note 16).

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 August 31, 2021, the Company had working capital of $776,230 (November 30, 2020 - $2,094,849) and shareholders’ equity of $4,531,542 (November 30, 2020 - $4,617,638). 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.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended November 30, 2020, and do not include all the information required for full annual financial statements in accordance 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"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

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 and its wholly-owned subsidiary (Note 6).

(b) Principles of consolidation

These financial statements include the financial statements of the Company and its wholly-owned subsidiary, Pointer Inc. (Note 6).

Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. When applicable, the financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Company has an obligation, or has made payments on behalf of the investee. The Company has no associates requiring equity accounting.

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. When applicable, the financial statements include the assets that the Company controls and the liabilities that it incurs in the course of pursuing the joint operation and its share of any revenues and expenses from the joint operation.

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing these financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment, to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Significant accounting policies

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

2. Significant accounting policies (continued)

(d) New accounting policies

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.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	August 31, 2021	November 30, 2020
	$	$
Cash	45,510	172,795
Guranteed investment certificates	750,000	2,055,000
	795,510	2,227,795

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	August 31, 2021	November 30, 2020
	$	$
Sales tax recoverable	2,250	10,431
Exploration incentives receivable	-	2,827
Interest receivable	3,741	810
Prepaid expenses	8,033	30,625
	14,024	44,693

As at November 30, 2020, exploration incentives receivable comprised British Columbia Mining Exploration Tax Credits (“BCMETC”) relating to the McConnell Creek project (Note 6(a)(vi)), which was collected during the nine months ended August 31, 2021.

5. Marketable securities

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

As at August 31, 2021, the Company holds 500,000 common shares of a private company at a $1 (November 30, 2020 - $1) nominal value, as there is no market or supportable fair value for the common shares.

6. Mineral property interests

On May 10, 2021, the Company incorporated Pointer Inc. ("Pointer"), a wholly-owned subsidiary in the State of Nevada, USA. Pointer was incorporated to hold title to the Company's mineral property interests in Nevada, as it is a requirement in the USA that title to USA mineral interests be held by US corporations. Since incorporation, Pointer has had no transactions other than to hold title to the Nevada mineral claims. All costs to acquire or explore the claims are incurred by the Company. Other than to hold title to the Nevada minerals claims, Pointer has no assets or liabilities, and has had no transactions since incorporation.

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 nine months ended August 31, 2021 are summarized as follows:

	December 1, 2020 $	Acquisitions / staking $	Exploration and evaluation, net $	Write-off $	August 31, 2021 $
CH	760,537	-	46,461	-	806,998
Bishop	237,265	-	5,078	-	242,343
Rhombus	164,166	-	-	-	164,166
Providence Greenstone Belt	-	-	1,185	(1,185)	-
Stein	151,160	-	-	-	151,160
McConnell Creek	907,118	-	-	-	907,118
Gold Point	241,768	312,544	873,568	-	1,427,880
Total	**2,462,014**	**312,544**	**926,292**	**(1,185)**	**3,699,665**

	December 1, 2020 $	Additions, net $	Write-off $	August 31, 2021 $
Acquisitions / staking	394,939	312,544	-	707,483
Exploration and evaluation	2,067,075	926,292	(1,185)	2,992,182
Total	**2,462,014**	**1,238,836**	**(1,185)**	**3,699,665**

6. Mineral property interests (continued)

Changes in the project carrying amounts for the nine months ended August 31, 2020 are summarized as follows:

	December 1, 2019 $	Acquisitions / staking $	Exploration and evaluation, net $	Write-offs $	August 31, 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	-	-	2,635	(2,635)	-
Stein	150,285	-	875	-	151,160
McConnell Creek	770,017	2,014	94,926	-	866,957
Gold Point	-	59,313	15,699	-	75,012
Total	2,070,022	61,327	128,588	(4,840)	2,255,097

	December 1, 2019 $	Additions, net $	Write-offs $	August 31, 2020 $
Acquisitions / staking	311,185	61,327	-	372,512
Exploration and evaluation	1,758,837	128,588	(4,840)	1,882,585
Total	2,070,022	189,915	(4,840)	2,255,097

Exploration and evaluation expenditures on the projects for the nine months ended August 31, 2021 and August 31, 2020, consisted of the following:

	August 31, 2021 $	August 31, 2020 $
Assays	161,039	6,517
Drilling and excavating	327,102	-
Field	111,981	10,694
Labour	277,732	34,292
Survey and consulting	-	79,457
Travel and accommodation	48,438	455
	926,292	131,415
Less: BCMETC (Note 6(a)(vi))	-	(2,827)
Total	**926,292**	128,588

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, the Company wrote-off the accumulated costs of 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.

(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, the Company wrote-off the accumulated costs of the PGB project, as the Company has no current or future budgeted exploration programs in place for this project.

(iv) Bishop, Northwest Territories, Canada

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

(v) Rhombus, Northwest Territories, Canada

The Company owns various claims north-northeast of Yellowknife.

(vi) McConnell Creek, British Columbia, Canada

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

During the nine months ended August 31, 2021, the Company collected $2,827 from BCMETC which was included in receivables as at November 30, 2020. As at August 31, 2021, there are no receivables accrued for BCMETC recoveries (November 30, 2020 - $2,827) (Note 4).

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 of 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

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:

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

Minimum expenditures of US$850,000:

- US$100,000 on or before July 31, 2021 (completed);
- US$150,000 on or before July 31, 2022 (completed);
- US$200,000 on or before July 31, 2023 (completed);
- US$200,000 on or before July 31, 2024; and
- US$200,000 on or before July 31, 2025.

The Optionor will retain a 2% Net Smelter Return royalty (“NSR”) on all material production from the property, of which up to 1% can be purchased by the Company for US$1,000,000.

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

(b) Projects under option (continued)

(ii) Gold Point Property, Nevada, USA (continued):

(2) The Company signed an option agreement with Silver Range Resources Ltd. ("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, $15,605);
- $20,000 on or before December 31, 2020 (paid); and
- The aggregate of $150,000 as calculated semi-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, $28,438 (July 1, 2020 to December 31, 2020)); and paid, $75,879 (January 1, 2021 to June 30, 2021)).

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 National Instrument 43-101 ("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, $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 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 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.

7. Reclamation and other 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.

During the nine months ended August 31, 2021, the Company paid an additional deposit for a refundable drilling permit in Nevada in the amount of $17,516.

8. Property and equipment

	Office furniture $	Exploration equipment $	Total $
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
Cost			
December 1, 2020	13,306	390,813	404,119
August 31, 2021	**13,306**	**390,813**	**404,119**
Accumulated depreciation			
December 1, 2020	13,086	373,405	386,491
Depreciation	27	2,617	2,644
August 31, 2021	**13,113**	**376,022**	**389,135**
Net book value			
November 30, 2020	220	17,408	17,628
August 31, 2021	**193**	**14,791**	**14,984**

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 nine months ended August 31, 2021:

- On various dates during the nine months ended August 31, 2021, the Company issued 636,363 common shares pursuant to the exercise of share purchase warrants at a price of $0.15 each for gross proceeds of $95,454. In connection with certain of the warrants exercised, the original fair value of $1,000 was reversed from contributed surplus and credited to share capital.

Transactions for the issue of share capital during the nine months ended August 31, 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 ($0.08 each) (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 were 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. The warrants expired on July 23, 2021. 486,363 warrants were exercised prior to expiration. 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. The warrants expired on July 23, 2021. 50,000 warrants were exercised prior to expiration.

  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 renounced to the flow-through shareholders. The premium was determined to be $27,273 (Note 15) 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 were recorded as a reduction to share capital.

9. Share capital (continued)

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 August 31, 2021 and November 30, 2020, there was no accrual for commitment to issue shares.

On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting with a fair value of $40,182, in settlement of $38,063 in consulting fees accrued as at November 30, 2019. During the nine months ended August 31, 2020, the Company incurred and paid $820 in interest expense to Dave Kelsch Consulting (Note 11).

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.

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 August 31, 2021 and November 30, 2020, and changes during the period/year then ended is as follows:

	Period ended August 31, 2021		Year ended November 30, 2020	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	3,623,485	0.15	4,687,500	0.15
Issued	-	-	1,515,151	0.15
Exercised	(636,363)	0.15	(2,579,166)	0.15
Expired	(662,122)	0.15	-	-
Warrants outstanding, end of period/year	**2,325,000**	**0.15**	3,623,485	0.15

As at August 31, 2021, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
2,325,000	**2,325,000**	**0.15**	**0.74**	**May 28, 2022**

9. Share capital (continued)

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.

A summary of the status of the Company's stock options as at August 31, 2021 and November 30, 2020, and changes during the period/year then ended is as follows:

	Period ended August 31, 2021		Year ended November 30, 2020	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	#	$	#	$
Options outstanding, beginning of period/year	2,600,000	0.15	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 period/year	**2,600,000**	**0.15**	2,600,000	0.15

As at August 31, 2021, 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	1.18	November 6, 2022
1,450,000	1,450,000	0.15	3.95	August 10, 2025
2,600,000	**2,600,000**	**0.15**	**2.72**	

There were no stock options granted during the nine months ended August 31, 2021.

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. Accordingly, share-based payments expense for the nine months ended August 31, 2021, was $80,252 (2020 - $22,701), which includes only those options that vested during the period.

9. Share capital (continued)

Stock options (continued)

During the nine months ended August 31, 2020, 325,000 Director and consultant options 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 was reversed from contributed surplus and credited to deficit during the period then ended.

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 nine months ended August 31, 2021, is based on the loss attributable to common shareholders of $261,802 (2020 - $154,488) and a weighted average number of common shares outstanding of 45,191,628 (2020 – 28,439,829).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the periods 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.

No stock options were granted to related parties during the nine months ended August 31, 2021. During the nine months ended August 31, 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 vested over a one-year period ending August 10, 2021.

During the nine months ended August 31, 2021, $69,183 (2020 - $19,523) was recognized within share-based payments expense for stock options vesting to key management personnel and Directors.

During the nine months ended August 31, 2021, 336,363 warrants were exercised by a company controlled by the Company's CEO, for gross proceeds of $50,454.

During the nine months ended August 31, 2020, 175,000 Director stock options having a fair value on grant of $17,993 were cancelled upon the Director's resignation from the Company.

During the nine months ended August 31, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting with a fair value of $40,182 (Note 9).

As at August 31, 2021, Strategic had a 38.4% interest in the Company (November 30, 2020 – 38.9%). The Company and Strategic have certain common Officers, and the large share position of Strategic in the Company gives it control of the Company.

During the year ended November 30, 2020, Strategic subscribed to certain private placements of the Company. Accordingly, Strategic subscribed to 2,000,000 non-flow-through common shares of the Company for gross proceeds of $100,000 pursuant to the private placement that completed in May 2020 (Note 9), 633,332 non-flow-through units of the Company for gross proceeds of $57,000 pursuant to the private placement completed in July 2020 (Note 9), and 1,408,402 common shares of the Company for gross proceeds of $253,512 pursuant to the private placement completed in November 2020.

During the nine months ended August 31, 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).

11. Related party payables and transactions (continued)

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.

(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.

(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. ("Drechsler Consulting") 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 Nine months ended August 31, 2021	Transactions Nine months ended August 31, 2020	**Balances outstanding August 31, 2021**	Balances outstanding November 30, 2020
		$	$	**$**	$
	Dave Kelsch Consulting				
	- geological services	7,863	22,313	446	1,339
(1)	- consulting fees	9,138	17,820	1,116	3,123
		17,001	40,133	1,562	4,462
(2)	Archer Cathro	253,619	25,750	6,558	6,485
(3)	Yeadon Law Corp	8,560	17,120	2,800	16,797
	DBM CPA	24,000	24,400	8,000	11,500
	Drechsler Consulting	7,605	9,765	992	2,930
	Linda Knight	28,700	27,278	1,530	3,708
		339,485	144,446	**21,442**	45,882

(1) Transactions for the nine months ended August 31, 2021, include no interest expense (2020 - $820 (Note 9)).

(2) Transactions for the nine months ended August 31, 2021, include $182,394 related to geological services (2020 - $nil).

(3) Transactions for the nine months ended August 31, 2021, include $nil in share issue costs (2020 - $10,700).

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.
- 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.

12. Income taxes

Income tax recovery for the nine months ended August 31, 2021 and August 31, 2020 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:

	August 31, 2021 $	August 31, 2020 $
Loss for the period before income taxes	(261,802)	(154,488)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	71,000	42,000
Change in tax resulting from:		
Unrecognized items for tax purposes	(20,000)	(6,000)
Tax benefits to be renounced on flow-through expenditures	-	(24,000)
Flow-through share premium liability reduction	-	4,000
Tax benefits on losses not recognized	(51,000)	(16,000)
Income tax recovery	**-**	-

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

	August 31, 2021 $	November 30, 2020 $
Mineral property interests	4,056,000	4,053,000
Marketable securities	3,000	3,000
Property and equipment	142,000	141,000
Non-capital loss carry forwards	1,491,000	1,440,000
Capital losses	13,000	13,000
Share issue costs	15,000	19,000
Unrecognized deferred tax assets	(5,720,000)	(5,669,000)
Net deferred tax assets	**-**	-

As at August 31, 2021, the Company has non-capital loss carry forwards of approximately $5,522,000 (November 30, 2020 - $5,335,000) which expire between 2026 and 2041.

As at August 31, 2021 the Company has unused capital losses of approximately $99,000 (November 30, 2020 - $99,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at August 31, 2021, the Company has unclaimed resource and other deductions in the amount of approximately $18,723,000 (November 30, 2020 - $17,473,000), which may be deducted against future taxable income.

As at August 31, 2021, the Company has share issue costs totaling approximately $56,000 (November 30, 2020 - $71,000), which have not been claimed for income tax purposes.

As at August 31, 2021, the Company has unused temporary differences in respect of property and equipment totaling approximately $526,000 (November 30, 2020 - $523,000), which have no expiry.

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

13. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended August 31, 2021 and August 31, 2020, were comprised of the following:

	August 31, 2021 $	August 31, 2020 $
Receivables and prepayments	25,015	(6,324)
Accounts payable and accrued liabilities	(22,972)	(27,427)
Accounts payable to related parties	(24,085)	6,269
Net Change	**(22,042)**	(27,482)

The Company incurred non-cash financing and investing activities during the nine months ended August 31, 2021 and August 31, 2020, as follows:

	August 31, 2021 $	August 31, 2020 $
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
Share issue costs included in accounts payable and related party payables	-	12,371
	-	79,826
Non-cash investing activities:		
Deferred exploration expenditures included in exploration incentives receivable	-	(2,827)
Deferred exploration expenditures included in accounts payable and related party payables	5,894	94,469
	5,894	91,642

During the nine months ended August 31, 2021, the Company had no interest expense (2020 - $2,456). During the nine months ended August 31, 2021 and August 31, 2020, 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, except for the temporary bank loans (Note 16), 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 August 31, 2021, is comprised of shareholders' equity of $4,531,542 (November 30, 2020 - $4,617,638).

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 nine months ended August 31, 2021.

14. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, other receivables, marketable securities, reclamation and other deposits, accounts payable and accrued liabilities, accounts payable to related parties, and bank loans. The carrying value of other receivables, accounts payable and accrued liabilities and accounts payable to related parties approximate their fair value because of the short-term nature of these instruments. Bank loans also approximates its fair value as it is not subject to material fluctuations.

Financial instruments measured at fair value on the condensed interim consolidated 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 $
August 31, 2021				
Cash and cash equivalents	795,510	-	-	795,510
Marketable securities	-	-	1	1
Reclamation and other deposits	100,663	-	-	100,663
	896,173	**-**	**1**	**896,174**
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

There were no changes to the Company's Level 3 inputs and assumptions with respect to its marketable securities during the nine months ended August 31, 2021 and year ended November 30, 2020.

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 are due from the Canadian Government.

(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.

14. Financial risk management (continued)

Financial instruments – risk (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 August 31, 2021 and November 30, 2020.

(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. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2020. As at August 31, 2021, approximately $135,000 of the funds had been spent.

The flow-through units were issued at a premium to the trading value of the Company's common shares, which reflected the value of the income tax write-offs that were renounced to the flow-through shareholders. The premium was determined to be $27,273 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded, which is being reversed pro-rata as the required exploration expenditures are incurred.

<u>Extension granted</u>

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 which is currently set at 1% per annum. If the remaining flow-through funds are spent by December 31, 2021, no interest tax will be applicable.

A summary of the Company's flow-through premium liability as at August 31, 2021 and November 30, 2020, and changes during the period/year then ended is as follows:

	August 31, 2021	November 30, 2020
	$	$
Balance, beginning of period/year	2,745	-
Addition	-	27,273
Reduction - pro rata based on eligible expenditures	-	(24,528)
Balance, end of period/year	**2,745**	2,745

16. Government guaranteed bank loans

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.

During the nine months ended August 31, 2021, the Company received an additional $20,000 pursuant to the CEBA benefit, of which $10,000 is forgivable if repaid by December 31, 2022.