

# **TISDALE RESOURCES CORP.**

## **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

(Unaudited - Expressed in Canadian Dollars)

#### **Notice of No Auditor Review**

These unaudited consolidated interim financial statements of Tisdale Resources Corp. (the "Company") have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

# TISDALE RESOURCES CORP.

## CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	September 30	December 31
	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 842,225	\$ 1,669
Amounts receivable	1,288	62
	\$ 843,513	\$ 1,731
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables (notes 6 and 10)	\$ 6,851	\$ 120,545
Loans payable (note 7)	-	254,685
	6,851	375,230
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital (note 8)	14,268,266	12,948,740
Warrants reserve (note 9)	76,727	76,727
Share-based payment reserve (note 9)	250,442	250,442
Deficit	(13,758,773)	(13,649,408)
	836,662	(373,499)
	\$ 843,513	\$ 1,731

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

Director "Alex Klenman"  
Alex Klenman

Director "Mark Ferguson"  
Mark Ferguson

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

# TISDALE RESOURCES CORP.

## CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
<b>General and administrative expenses</b>				
Consulting fees	\$ 15,000	\$ 15,000	\$ 45,000	\$ 45,000
Filing and transfer agent fees	7,057	11,223	19,951	17,369
Geological consulting	933	-	933	-
Interest (note 7)	1,816	6,416	9,142	18,131
Management fees (note 10)	4,200	4,200	12,600	12,600
Office	48	20	120	103
Professional fees	7,585	5,261	21,619	14,402
Share-based compensation	-	20,639	-	20,639
	36,639	62,759	109,365	128,244
<b>Net loss and comprehensive loss</b>	\$ (36,639)	\$ (62,759)	\$ (109,365)	\$ (128,244)
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ (0.06)	\$ (0.05)	\$ (0.12)
<b>Weighted average number of common shares outstanding</b>	2,880,659	1,125,534	2,143,651	1,103,491

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

## TISDALE RESOURCES CORP.

### CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY (Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Warrants Reserve	Share-based Payment Reserve	Deficit	Total
<b>Balance at January 1, 2020</b>	1,092,350	\$ 12,900,151	\$ 76,727	\$ 250,442	\$ (13,477,930)	\$ (250,610)
Stock options exercised (Note 9)	43,000	48,589	-	(20,639)	-	27,950
Share-based payments (Note 9)	-	-	-	20,639	-	20,639
Net loss	-	-	-	-	(128,244)	(128,244)
<b>Balance at September 30, 2020</b>	1,135,350	12,948,740	76,727	250,442	(13,606,174)	(330,265)
<b>Balance at January 1, 2021</b>	1,135,350	12,948,740	76,727	250,442	(13,649,408)	(373,499)
Adjustment on share consolidation	(12)	-	-	-	-	-
Shares issued in private placements (Note 8)	2,947,727	1,326,600	-	-	-	1,326,600
Share issue costs (Note 8)	-	(7,074)	-	-	-	(7,074)
Net loss	-	-	-	-	(109,365)	(109,365)
<b>Balance at September 30, 2021</b>	4,083,065	\$ 14,268,266	\$ 76,727	\$ 250,442	\$ (13,758,773)	\$ 836,662

Note: On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All appropriate figures in these consolidated financial statements have been updated to reflect the share consolidation.

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

**TISDALE RESOURCES CORP.**  
**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Nine Months Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss	\$ (109,365)	\$ (128,244)
Item not affecting cash:		
Share-based compensation	-	20,639
Interest and accretion on loan	-	18,131
Change in non-cash working capital items:		
Amounts receivable	(1,226)	(105)
Trade and other payables	(113,694)	45,211
<b>Net cash flows used in operating activities</b>	<b>(224,285)</b>	<b>(44,368)</b>
<b>Financing activities</b>		
Proceeds from private placement	1,326,600	-
Share issue costs	(7,074)	-
Proceeds from exercise of stock options	-	27,950
Loan advances	10,000	20,000
Loans repaid	(264,685)	-
<b>Net cash flows (used in) provided by financing activities</b>	<b>1,064,841</b>	<b>47,950</b>
<b>Change in cash during the period</b>	<b>840,556</b>	<b>3,582</b>
<b>Cash, beginning of the period</b>	<b>1,669</b>	<b>2,496</b>
<b>Cash, end of the period</b>	<b>\$ 842,225</b>	<b>\$ 6,078</b>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 57,857	\$ -

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

## **TISDALE RESOURCES CORP.**

Notes to the Consolidated Interim Financial Statements  
For the nine months ended September 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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### **1. Nature and Continuance of Operations**

Tisdale Resources Corp. (the “Company”), listed on the TSX-Venture Exchange (“TSX-V”) as (“TRC”), is a corporation continued under the laws of the Province of British Columbia with its principal, registered and records office located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All appropriate figures in these consolidated financial statements have been updated to reflect the share consolidation.

The Company is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests in North America. At the date of the consolidated financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company continues to incur operating losses and at September 30, 2021 had a cumulative deficit of \$13,758,773 and working capital of \$836,662. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Further discussion of liquidity risk is included in notes 3 and 4.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

## **TISDALE RESOURCES CORP.**

Notes to the Consolidated Interim Financial Statements  
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### **1. Nature and Continuance of Operations, continued**

These consolidated interim financial statements were authorized for issue on October 19, 2021 by the directors of the Company.

### **2. Significant Accounting Policies and Basis of Preparation**

#### (a) Statement of compliance and basis of preparation

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Corporation’s audited annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

The consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company is the Canadian dollar.

#### (b) Consolidation

The consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries, after the elimination of all material intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The Company’s controlled subsidiaries included in these consolidated interim financial statements are:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Ownership</b>	
		<b>2021</b>	<b>2020</b>
515427 BC Ltd.	Canada	100%	100%
Gunnar Minerals Corp.	Canada	100%	100%
Keefe Lake Projects Inc.	Canada	100%	100%

515427 BC Ltd and Gunnar Minerals Corp. had no commercial activities during the current or previous year.

## **TISDALE RESOURCES CORP.**

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### **2. Significant Accounting Policies and Basis of Preparation, continued**

On September 13, 2017, the Company acquired Gunnar Minerals Corp. which held the right to acquire a 100% interest in the Carter Lake uranium project.

On November 24, 2017, the Company acquired Keefe Lake Projects Inc. which held the right to acquire a 100% interest in the Keefe Lake uranium project.

#### **(c) Use of estimates and assumptions**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect events concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

#### **(d) Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- modification versus extinguishment of financial liability;
- the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the classification of financial instruments.

#### **(e) Recent accounting pronouncements**

##### *New accounting standards issued but not yet effective*

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2021, or later periods. The Company has not early adopted these new standards in preparing these consolidated interim financial statements and is currently evaluating the impact, if any, that these standards might have on its financial statements.



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### **3. Capital Management**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the period.

### **4. Financial Instruments and Risk Management**

As at September 30, 2021, the Company's financial instruments consist of cash, loans and trade and other payables.

In management's opinion, the Company's carrying values of cash, loans and trade and other payables approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company's financial instruments are exposed to the following risks:

#### *Credit Risk*

Currently the Company does not have any material exposure to credit risk. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet trade and other payables requirements. The Company maintains sufficient cash balances to meet its needs at September 30, 2021.

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### **4. Financial Instruments and Risk Management, continued**

#### *Price Risk*

The Company is not exposed to price risk.

#### *Currency Risk*

As at September 30, 2021, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

#### *Interest Rate Risk*

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions and lawyers' trust accounts. The interest rate risk on cash is not considered significant due to its short-term nature and maturity.

### **5. Exploration and Evaluation Properties**

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company had investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

It is the Company's policy to expense exploration and evaluation expenditures as incurred. The Company has made no expenditures in the nine-month periods ended September 30, 2021 and 2020. As at September 30, 2021, the Company owned or had royalty interests or lease options on the following mineral property interests:

#### **Carter Lake Uranium Project, South-western Saskatchewan**

On September 13, 2017, the Company entered into a share purchase agreement with Gunnar Minerals Corp. ("Gunnar") pursuant to which it acquired 100% of the shares of Gunnar in consideration for a cash payment of \$1,700,000. Gunnar holds the rights to acquire the Carter Lake Uranium Project, located in the southwestern corner of the Athabasca basin, Saskatchewan after signing an agreement with Doctors Investment Group Ltd. ("Doctors") to acquire 100% interest in and to the property on April 8, 2017. The project covers approximately 1,113 hectares on the Carter Lake corridor. The Carter Lake uranium project is subject to a 2% net smelter return royalty, one-half of which can be purchased in consideration for a cash payment of \$2,000,000.

In consideration of the grant of the right by Doctors to purchase 100% undivided interest in the property, Gunnar shall pay:

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**5. Exploration and Evaluation Properties, continued****Carter Lake Uranium Project, South-western Saskatchewan, continued**

- (a) \$100,000 in cash within 5 days of Gunnar entering into an assignment or other material agreement for an interest in the Property with an issuer with shares trading on a recognized stock exchange (September 13, 2017) but in any event no later than 90 days after the signing of this agreement (paid July 5, 2017);
- (b) A further \$100,000 in cash and completing no less than \$250,000 in qualified exploration expenditures on the Property, on or before April 8, 2019 (unpaid);
- (c) A further \$100,000 in cash and completing no less than \$500,000 in qualified exploration expenditures on the Property, on or before April 8, 2020 (unpaid);
- (d) A further \$100,000 in cash and completing no less than \$1,000,000 in qualified exploration expenditures on the Property, on or before April 8, 2021;
- (e) At Gunnar's election, cash payments can be paid to Doctors in lieu of completing qualified exploration expenditures on the Property.

The Company has elected to terminate its option to acquire the Carter Lake Uranium Project.

**Keefe Lake Projects, North-eastern Saskatchewan**

On November 24, 2017, the Company acquired 100% of the shares of Keefe Lake Projects Inc. Subject to existing royalty rights, Keefe Lake Projects Inc. holds a 100-per-cent interest in the Keefe Lake uranium project, an advanced exploration project that covers an area of approximately 15,400 hectares, on the eastern side of the Athabasca basin, in northeastern Saskatchewan, Canada.

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### 6. Trade and Other Payables

	September 30, 2021		December 31, 2020	
Trade	\$	6,851	\$	78,459
Other payables <sup>1</sup>		-		15,612
Advances payable <sup>2</sup>		-		26,474
	\$	6,851	\$	120,545

<sup>1</sup> Included in other payables at December 31, 2020 is an amount of \$7,612 that was assigned to an investor on August 19, 2019. This payable amount is unsecured, non-interest bearing and due on demand and was repaid in February 2021.

<sup>2</sup> At December 31, 2020, advances represented an aggregate amount of \$25,000 in funds advanced by an investor who was assisting in implementing the Company's business plan. Receipt of these advances provided the working capital for the Company to prepare its consolidated financial statements and for corporate registrations. The loans are unsecured, bear interest at 10% per annum and are due on demand. On February 2, 2021, these loans plus accrued interest of \$1,474 were repaid.

### 7. Loans Payable

On March 29, 2018, the Company entered into a debt modification agreement with Apollo Innovative Solutions Inc. (the "Creditor"). The Creditor agreed to convert its outstanding accounts payable of \$190,000 into a note due on July 1, 2019 and the Company hereby agreed to pay the Creditor 10% interest on the outstanding balance, payable on maturity of the note. During March 2019, the Company repaid \$45,000 of the principal balance.

On December 31, 2019, the Creditor agreed to convert its outstanding accounts payable of \$60,000 into a note, the balance to be added to the existing loan payable of \$145,000. The Creditor also agreed to extend the repayment date of the note plus accrued interest of \$30,004 to July 1, 2021. The Company agreed to pay the Creditor 10% interest on the outstanding balance, payable on maturity of the note.

The Company determined that the extension of the maturity date on the original loan amount of \$145,000 net of the payment of \$45,000 paid in 2019 represented a non-substantial modification of financial liabilities under IFRS 9, as the respective differences between the net present value of the cash flows under the modified terms was less than 10 percent different from the net present value from the remaining cash flows of the loan prior to modification, both discounted at the original effective interest rate, resulting in a gain on modification of \$4,466 recognized in profit or loss.

## TISDALE RESOURCES CORP.

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### 7. Loans Payable, continued

The loan as at December 31, 2019 for total principal amount of \$205,000 has also been valued at the present value of anticipated future repayments using a discount rate of 10%, which represents the estimated borrowing rate to the Company for a similar loan and anticipated repayment terms. The loan will be accreted to its face value over the term to maturity of the loan at an effective interest rate of approximately 9.70%.

In the nine months ended September 30, 2021 the Company repaid these loans and accrued interest.

The following table summarizes the accounting for the loans payable:

	\$
<b>Balance, December 31, 2019</b>	<b>230,538</b>
Interest accrued	21,446
Accretion	2,701
<b>Balance, December 31, 2020</b>	<b>254,685</b>
Interest accrued	4,328
Payments made	(263,589)
Accretion	4,576
<b>Balance, September 30, 2021</b>	<b>-</b>

### 8. Share Capital

(a) Authorized:

Unlimited number of common shares without par value  
Unlimited number of special shares issuable in series without par value

(b) Common shares issued:

At September 30, 2021, there were 4,083,065 issued and fully paid common shares.

On August 30, 2021, the Company completed the second tranche of a private placement of 357,727 equity units at \$0.44 per unit for gross proceeds of \$157,400. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of \$0.55 and has an expiry date of 5 years. No value has been assigned to the unit warrants.

On August 17, 2021, the Company completed the first tranche of a private placement of 1,625,000 equity units and 225,000 flow-through units at \$0.44 per unit for gross proceeds of \$814,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of \$0.55 and has an expiry date of 5 years. No value has been assigned to the unit warrants.

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**8. Share Capital, continued**

## (b) Common shares issued:

In connection with the August 2021 private placement, the Company incurred share issue costs of \$7,074. No finders' fees or commissions were payable in connection with this financing.

On January 27, 2021, the Company completed a private placement of 740,000 units at \$0.48 per unit for gross proceeds of \$355,200. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of \$0.60 and has an expiry date of 3 years. No finders' fees or commissions were payable in connection with this financing.

On September 24, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-ten-old basis. All figures as to the number of common shares, stock options, warrants, and loss-per-share in these consolidated financial statements have been retroactively restated to reflect the consolidation.

On July 7, 2020, the Company granted 43,000 incentive stock options to consultants of the Company. These options vested immediately and are exercisable at \$0.65 per share for a period of three years, expiring July 7, 2023. On July 21, 2020, the Company issued 43,000 common shares pursuant to the exercise of these share options for gross proceeds of \$27,950.

## (c) Warrants

Warrant activity for the periods ended September 30, 2021 and year ended December 31, 2020 is presented below:

	September 30		December 31	
	2021		2020	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	-	\$ -	55,000	\$ 2.60
Issued in private placement	740,000	0.60	-	-
Issued in private placement	2,207,727	0.55	-	-
Expired	-	-	(55,000)	2.60
Outstanding - end of period	2,947,727	\$ 0.56	-	\$ 2.60

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**8. Share Capital, continued**

## (c) Warrants, continued

As at September 30, 2021, the following warrants were outstanding:

<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Expiry date</b>	<b>Remaining Life (years)</b>
740,000	\$ 0.60	January 27, 2024	2.33
1,850,000	\$ 0.55	August 17, 2026	4.88
357,727	\$ 0.55	August 30, 2026	4.92
<b>2,947,727</b>	<b>\$ 0.56</b>		<b>4.24</b>

## (d) Stock options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

- Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
- Individual incentive share purchase options will have no more than a maximum term of five (5) years from the date of their grant;
- Incentive share purchase options granted to any one individual in any 12 month period cannot exceed 5% of the issued and outstanding shares of the Company;
- Individual incentive share purchase options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Company; and
- Individual incentive share purchase option agreements granted to an employee or consultant conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any twelve-month period.

The following table summarizes activity related to stock options for the nine months ended September 30, 2021 and the year ended December 31, 2020:

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**8. Share Capital, continued**

## (d) Stock options, continued

	Nine months ended September 30 2021		Year ended December 31 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	-	\$ -	-	\$ -
Granted	-	-	43,000	0.65
Exercised	-	-	(43,000)	0.65
Outstanding - end of period	-	\$ -	-	\$ -

During the nine months ended September 30, 2021, the Company recorded share-based compensation of \$Nil (year ended December 31, 2020 – \$20,639) related to the issuance of stock options. The weighted average fair value at grant date of options granted during the year ended December 31, 2020 was \$0.50 per option. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	<b>2020</b>
Expected stock price volatility	113%
Risk-free interest rate	0.29%
Dividend yield	-
Expected life of options	3 years
Stock price on date of grant	\$0.70
Forfeiture rate	-

**9. Reserves**

## (a) Warrants reserve

This reserve records the incremental increase in the fair value of previously outstanding warrants resulting from a re-pricing.

## (b) Share-based payments reserve

This reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the share-based payments reserve account.



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### **10. Related Party Transactions and Balances**

#### *Related Party Transactions*

Key management compensation for the nine months ended September 30, 2021 and 2020 consisted of the following:

- Management fees in the amount of \$12,600 (2020 - \$12,600 were paid as follows: to a director and officer \$3,600 (2020 - \$3,600) and a company controlled by a director and officer \$9,000 (2020 - \$9,000).
- Geological consulting fees in the amount of \$933 (2020 - \$Nil) were paid to a company controlled by a director.

#### *Related Party Balances*

As of September 30, 2021 and December 31, 2020, \$Nil is included in trade and other payables related to these fees.

### **11. Operating Segment**

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (Saskatchewan).