



**Windfall Geotek Inc**  
(formerly known as Albert Mining Inc)

**Unaudited Condensed  
Consolidated Interim Financial Statements**

**Third quarter ended November 30, 2021**

(Canadian dollars, unless otherwise stated)



## **Management's Responsibility for Consolidated Financial Statements**

The accompanying consolidated financial statements of Windfall Geotek Inc. (formerly known as Albert Mining Inc.) (the "Company") are the responsibility of management and the Board of Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

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

The unaudited condensed interim consolidated financial statements of the Company as at November 30, 2021 and for the three-month periods ended November 30, 2021 and 2020, have not been reviewed by the Company's external auditors.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)  
Simran Kamboj  
President and CTO

(signed)  
Daniel Bélisle  
Chief Financial Officer

January 26, 2022



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# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Consolidated Interim Statements of Financial Position

As at November 30, 2021

Unaudited

(in Canadian dollars)

	November 30 2021 \$	February 28 2021 \$
<b>Current Assets</b>		
Cash	1,797,909	1,516,723
Amounts receivable (note 7)	21,458	23,851
Prepaid expenses (note 7)	173,289	117,605
Marketable securities (note 8)	1,303,328	1,368,179
Subscription paid (note 8)	110,000	-
<b>Total current assets</b>	<u>3,405,984</u>	<u>3,026,358</u>
<b>Non-current assets</b>		
Office equipment (note 9)	19,926	21,155
Intangible asset (note 10)	37,500	150,000
Exploration and evaluation assets (notes 6 and 11)	1	1
<b>Total non-current assets</b>	<u>57,427</u>	<u>171,156</u>
<b>TOTAL ASSETS</b>	<u>3,463,411</u>	<u>3,197,514</u>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 12)	65,349	127,674
Contract liabilities (note 13)	-	79,000
CEBA loan (note 14)	12,500	30,000
<b>Total current liabilities</b>	<u>77,849</u>	<u>236,674</u>
<b>Non-current liabilities</b>		
CEBA loan (note 14)	-	5,000
<b>Total liabilities</b>	<u>77,849</u>	<u>241,674</u>
<b>Equity</b>		
Share capital (note 15)	42,064,173	39,582,545
Subscriptions received	-	100,000
Contributed surplus (note 16)	7,465,197	6,285,441
Warrants (note 15)	1,957,874	633,614
Deficit	<u>(48,101,682)</u>	<u>(43,645,760)</u>
<b>Total equity</b>	<u>3,385,562</u>	<u>2,955,840</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>3,463,411</u>	<u>3,197,514</u>
<b>Going concern</b> (note 2)		
<b>Events after the reporting period</b> (note 25)		

Approved by the Board of Directors

"Simran Kamboj"

"Dinesh Kandanchatha"

Director

Director

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

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Consolidated Interim Statements of Operations

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

(in Canadian dollars, except for the number of shares)

	Three-month period ended November 30, 2021 \$	Three-month period ended November 30, 2020 \$	Nine-month period ended November 30, 2021 \$	Nine-month period ended November 30, 2020 \$
<b>Revenue</b>				
Services	195,000	311,600	552,000	597,213
<b>Operating expenses</b>				
Amortization (note 8-9)	(39,177)	(38,832)	(117,531)	(116,496)
Commissions (notes 6 and 19)	7,500	(45,739)	(25,700)	(82,695)
Exploration and evaluation expenditures (note 11)	(249,390)	(33,094)	(777,167)	(101,254)
General and administrative (note 18)	(608,094)	(224,449)	(2,561,936)	(520,719)
Stock-based compensation (note 16)	(101,923)	(4,138)	(1,230,898)	(248,964)
	(991,084)	(346,252)	(4,713,232)	(1,070,128)
<b>Operating loss</b>	(796,084)	(34,652)	(4,161,232)	(472,915)
Gain on disposal of option on mining assets	-	-	30,000	60,000
Other revenue	10,873	14,232	13,162	14,232
Unrealized gain (loss) on marketable securities (note 8)	(169,560)	13,414	(337,652)	390,853
<b>Net gain (loss) and comprehensive gain (loss) for the period</b>	(954,771)	(7,006)	(4,455,922)	(7,830)
<b>Weighted average number of outstanding common shares</b>				
Basic and diluted (note 17)	123,894,541	89,158,881	116,056,790	85,576,525
<b>Loss per share</b>				
Basic and diluted (note 17)	(0.01)	(0.00)	(0.04)	(0.00)

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

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Consolidated Interim Statements of Changes in Equity

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

(in Canadian dollars, except for the number of shares)

	Number of Common Shares	Share Capital (Note 15)	Subscriptions Received	Contributed Surplus (Note 16)	Warrants (Note 15)	Deficit	Total Equity
<b>Balance March 1, 2020</b>	<b>82,418,881</b>	<b>37,903,803</b>	-	<b>6,288,445</b>	<b>406,272</b>	<b>(43,731,574)</b>	<b>866,946</b>
Issued in private placements	6,740,000	337,000	-	-	-	-	337,000
Warrants issued in private placement	-	(38,740)	-	-	38,740	-	-
Share issue costs	-	(2,435)	-	-	-	-	(2,435)
Share-based compensation	-	-	-	248,964	-	-	248,964
Net loss and comprehensive loss for the period	-	-	-	-	-	(7,830)	(7,830)
<b>Balance November 30, 2020</b>	<b>89,158,881</b>	<b>38,199,628</b>	-	<b>6,537,409</b>	<b>445,012</b>	<b>(43,739,404)</b>	<b>1,442,645</b>
<b>Balance March 1, 2021</b>	<b>110,065,548</b>	<b>39,582,545</b>	<b>100,000</b>	<b>6,285,441</b>	<b>633,614</b>	<b>(43,645,760)</b>	<b>2,955,840</b>
Issued in private placements	10,000,000	3,500,000	(100,000)	-	-	-	3,400,000
Warrants issued in private placement	-	(1,408,398)	-	-	1,408,398	-	-
Share issue costs	-	(37,554)	-	-	-	-	(37,554)
Warrants exercised	3,480,000	321,938	-	-	(84,138)	-	237,800
Options exercised	750,000	105,642	-	(51,142)	-	-	54,500
Share-based compensation	-	-	-	1,230,898	-	-	1,230,898
Net loss and comprehensive loss for the period	-	-	-	-	-	(4,455,922)	(4,455,922)
<b>Balance November 30, 2021</b>	<b>124,295,548</b>	<b>42,064,173</b>	-	<b>7,465,197</b>	<b>1,957,874</b>	<b>(48,101,682)</b>	<b>3,385,562</b>

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

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Consolidated Interim Statements of Cash Flows

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

(in Canadian dollars, except for the number of shares)

	Three-month period ended November 30, 2021 \$	Three-month period ended November 30, 2020 \$	Nine-month period ended November 30, 2021 \$	Nine-month period ended November 30, 2020 \$
<b>Cash flows provided (used in)</b>				
<b>Operating activities</b>				
Net loss for the period	(954,771)	(7,006)	(4,455,922)	(7,830)
Adjustments for				
Amortization and depreciation	39,177	38,832	117,531	116,496
Work in progress	-	50,000	-	25,000
Gain on disposal of marketable securities	-	(14,232)	-	(14,232)
Unrealized loss (gain) on marketable securities	169,560	(13,414)	337,852	(390,853)
Revenue received as common shares	-	-	(153,000)	-
Allowance for doubtful accounts (reversal)	40,000	(9,000)	40,000	(37,000)
Share-based compensation expense	101,923	4,138	1,230,898	248,964
	(604,111)	49,318	(2,882,641)	(59,455)
<u>Changes in working capital items:</u>				
Amounts receivable	41,775	(69,575)	(37,608)	(47,383)
Prepaid	263,417	4,872	(55,684)	(4,872)
Subscription paid	(100,000)	-	(110,000)	-
Accounts payable and accrued liabilities	(29,881)	22,119	(62,325)	7,021
Deferred revenue	-	(116,600)	(79,000)	(77,963)
<b>Net cash provided (used) in operating activities</b>	<b>(428,800)</b>	<b>(109,866)</b>	<b>(3,227,258)</b>	<b>(182,652)</b>
<b>Investing activities</b>				
Purchase of marketable securities	(120,000)	(40,000)	(120,000)	(100,000)
Proceeds received on disposition of marketing securities	-	44,232	-	44,232
Purchase of office equipment	-	(3,114)	(3,802)	(3,114)
Purchase of Exploration and evaluation assets	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(120,000)</b>	<b>(1,118)</b>	<b>(123,802)</b>	<b>(58,882)</b>
<b>Financing activities</b>				
Ceba loan	(7,500)	-	(22,500)	40,000
Issuance of share capital net of issue costs (note 15)	14,000	-	3,654,746	334,565
<b>Net cash provided by financing activities</b>	<b>6,500</b>	<b>-</b>	<b>3,632,246</b>	<b>374,565</b>
<b>Foreign exchange on cash</b>				
<b>Net increase (decrease) – cash and cash equivalent</b>	<b>(542,300)</b>	<b>(108,748)</b>	<b>281,186</b>	<b>133,031</b>
<b>Cash and cash equivalents – Beginning of period</b>	<b>2,340,209</b>	<b>346,456</b>	<b>1,516,723</b>	<b>104,677</b>
<b>Cash and cash equivalents – End of period</b>	<b>1,797,909</b>	<b>237,708</b>	<b>1,797,909</b>	<b>237,708</b>

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

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

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(in Canadian dollars, except per share amounts)

#### 1 Incorporation and nature of activities

Windfall Geotek Inc. (formerly known as Albert Mining Inc.) (“Windfall” or the “Company”) was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The nature of operations involves the acquisition, exploration and development of mineral resource properties. Windfall Geotek Inc. and its subsidiaries (hereinafter the “Company”) are in the exploration stage and do not derive any revenue from the development of their properties. The Company also offers artificial intelligence and data mining services (notes 4 g) and 6). The Company is exploring a new business model through which it will advance projects where the artificial intelligence software platform has identified high-potential targets. This transition from pure service revenues to service revenues plus asset accumulation is part of the Company’s strategy to maximize returns to investors. The Company’s common shares are listed on the TSX Venture Exchange (“TSX.V”) (the “Exchange”) under the symbol WIN. The Company obtained a listing on the OTCQB effective October 21, 2020 under the symbol WINKF. The Company’s office is located at 7005 Taschereau Boulevard Suite 265, Brossard, Quebec, Canada, J4Z 1A7.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, indigenous claims, and noncompliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

#### 2 Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable.

For the current period ended November 30, 2021, the Company has a net loss of \$954,771 (2020 – net loss of \$7,006) and has an accumulated deficit of \$48,101,682 as at November 30, 2021. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments for exploration and evaluation programs and pay general and administration costs. As at November 30, 2021, the Company had a positive working capital of \$3,328,135 (\$2,789,684 as at February 28, 2021).



# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

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(in Canadian dollars, except per share amounts)

#### 2 Going concern (continued)

The Company must secure additional funding to be able to discharge its liabilities and to fund its ongoing working capital requirements. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. The carrying amount of assets, liabilities and expenses presented in the consolidated financial statements and the classification used in the consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

These consolidated financial statements were approved and authorized for issue by the board of directors on January 26, 2022.

#### 3 Statement of compliance

These consolidated financial statements, including comparative amounts, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the year ended February 28, 2021. The accounting policies applied in these consolidated financial statements are presented in note 4 and have been applied consistently to all years unless otherwise noted.

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

#### 4 Summary of significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a) *Basis of measurement*

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, options and warrants which are measured at fair value, as explained in notes 8, 15 and 16 and are presented in Canadian dollars unless otherwise indicated.

b) *Basis of consolidation*

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Windfall is the group's ultimate parent company. The parent controls a subsidiary if it is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between companies.

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### b) Basis of consolidation (continued)

The following companies have been consolidated within these consolidated financial statements:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Tropic Diamonds Inc.	Ontario, Canada	100%	Holding company
Ampanihy Resources S.A.R.L	Madagascar	100%	Holding company
SIMACT Alliance Copper Gold Inc.	Montreal, Canada	100%	Exploration company

##### c) Foreign currency and foreign currency translation

These consolidated financial statements are presented in Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (the “functional currency”). Windfall’s functional currency is the Canadian dollar. The functional currency of all of the subsidiaries is the Canadian dollar. The functional currencies have remained unchanged during 2021 and 2020.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at the date the fair value was determined; and, non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation at period end are recognized in net income or loss.

##### d) Jointly controlled exploration operations

Joint arrangements are arrangements where the Company has joint control through a contractually agreed sharing of control arrangement. Joint control exists when decisions about the relevant activities require the unanimous consent of parties sharing control. Arrangements are classified and recognized as follows:

- Joint operations – when the Company has rights to assets, and obligations for the liabilities, relating to the joint arrangement and recognizes its share of the assets, liabilities, revenue, and expenses of the joint operations; and
- Joint venture – when the Company has rights to the net assets of the joint arrangement and recognizes its interest using the equity method.

##### e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVTOCI”).

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Notes to consolidated financial statements

### For the three and nine months periods ended November 30, 2021 and 2020 Unaudited

(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### e) Financial instruments (continued)

The Company's financial instruments are classified and subsequently measured as follows:

<b>Financial Assets</b>	<b>Classification</b>
Cash	Amortized cost
Amounts receivable (*)	Amortized cost
Marketable securities	FVTPL
Subscription paid	Amortized cost
<b>Financial Liabilities</b>	
Accounts payables and accrued liabilities	Amortized cost
CEBA loan payable	Amortized cost

(\*) excluding G/QST

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of operations.

##### *Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These are classified in current assets, except for the portion expected to be realized or paid beyond twelve months of the consolidated statements of financial position date, if any, which are classified as non-current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value.

##### *Impairment of financial assets and contract assets*

The Company recognizes loss allowances for expected credit losses ("ECL") on:

- financial assets measured at amortized cost; and
- contract assets (as defined in IFRS 15).

The Company measures loss allowances on amounts receivable at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

# Windfall Geotek Inc.

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## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

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(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### e) *Financial instruments (continued)*

##### *Impairment of financial assets and contract assets (continued)*

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Presentation of allowance for ECL in the consolidated statements of financial position*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities.

##### f) *Impairment of non-financial assets and intangible assets with a finite useful life*

The Company assesses office equipment and intangible assets for impairment when facts and circumstances suggest that the carrying amount of these assets is impaired. An impairment review is undertaken when indicators of impairment arise.

Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows (Cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in profit or loss.

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

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(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### *g) Revenue recognition*

Revenue is recognized at the point in time when the customer obtains control of the service. Control is achieved when the service is performed for the customer, the Company has a present right to payment for the service, significant risks and rewards of ownership have transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the service. For contract services that last over a year, revenue is recognized over the duration of the contract.

The Company specializes in data mining, profiling, prediction and targeting and provides statistical and information consulting services and relevant analysis and reports to its customers. The Company's performance obligation relates to the creation and delivery of a report and map of layer (the "report") to the customer.

The Company transfers control of the report over time and, therefore, satisfies the performance obligation and recognizes revenue over time as the contract is being completed. Control is achieved during the report preparation process, when the Company has a present right to payment for services performed to date and significant risks and rewards of ownership have been transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the report.

The Company generally receives payment in two lump sum fee amounts:

- A non-refundable amount (typically 75% to 80%) payable upon execution of the Services Agreement (the "SA"); and
- The balance upon delivery of the report to the customer.

If the Company has received payment for revenues where the performance obligation has not been satisfied, the amount received is recognized as a contract liability in the consolidated statements of financial position until the performance obligation is satisfied.

##### *Contract balances*

Contract assets are recognized when goods or services are transferred to customers before consideration is received or before the Company has an unconditional right to payment for performance completed to date. Contract assets are subsequently transferred to receivables when the right of payment becomes unconditional. Contract liabilities are recognized when amounts are received from customers in advance of transfer of goods or services. Contract liabilities are subsequently recognized in revenue as or when the Company performs under contracts.

##### *h) Office equipment*

Office equipment is comprised of computer equipment and is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, applicable borrowing costs, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to the consolidated statement of operations during the period in which they are incurred.

# Windfall Geotek Inc.

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## Notes to consolidated financial statements

For the three and nine months periods ended November 30, 2021 and 2020

### Unaudited

(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### h) Office equipment (continued)

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its expected useful life.

Depreciation:

<u>Category</u>	<u>Years</u>	<u>Method</u>
Computer equipment	5	Straight line

##### i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of operations in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of operations when the asset is derecognized.

Amortization:

<u>Category</u>	<u>Years</u>	<u>Method</u>
CARDS Software	5	Straight line

##### j) Exploration and evaluation assets and exploration and evaluation expenditures

All of the Company's projects are currently in the exploration and evaluation phase.

All exploration and evaluation expenditures are expensed in the consolidated statement of operations.

# Windfall Geotek Inc.

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(in Canadian dollars, except per share amounts)

#### 4 Summary of significant accounting policies (continued)

##### *k) Provisions and contingent liabilities*

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The Company had no material provisions or contingent liabilities as at November 30, 2021 and February 28, 2021.

The Company's exploration and evaluation operations are governed by government environmental protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is a constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

The CARDS services warranty with respect to the quality of the report limits the Company's liability to the specific performance of a second time good faith and best efforts reprocessing of the customer's data using CARDS. The Company can either correct defects without any additional charge or effect an equitable reduction of the price paid or payable for the services and report, provided that the customer gives written notice of the defect within 30 days from the date that it becomes aware of the defect.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

##### *l) Equity-settled share-based payment transactions*

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. Occasionally, the Company issues warrants to brokers.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless fair value cannot be reasonably estimated reliably. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees or a consultant providing similar services as employees is determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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#### 4 Summary of significant accounting policies (continued)

##### *l) Equity-settled share-based payment transactions (continued)*

No adjustment is made to any expense recognized in the prior period if the number of share options ultimately exercised is different from that estimated on vesting. Share-based payments incorporate an expected forfeiture rate.

All equity-settled share-based payments under equity-settled share-based payment plans, except warrants to brokers, are ultimately recognized as an expense in profit or loss with a corresponding credit to the contributed surplus reserve, in equity. At the same time, upon exercise of a share option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in the contributed surplus reserve are then transferred to share capital. Warrants issued to brokers are recognized as an issuance cost of equity instruments with a corresponding credit to the warrants reserve, in equity.

##### *m) Equity*

Share capital represents the amount received upon the share issuance, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded in the contributed surplus and warrants reserves.

##### Unit placements

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the proportional method.

##### Flow-through shares

The Company periodically issues flow-through shares to fund Canadian exploration programs with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is recorded as income. Based on Canadian tax law, the Company is required to spend the amounts raised on eligible exploration expenditures by the end of the year subsequent to the date the expenditures were renounced.

##### Other elements of equity

Reserves include the contributed surplus reserve and the warrants reserve.

Contributed surplus includes charges related to stock options. When stock options are exercised, the related compensation costs are transferred to share capital.

Warrants include the fair value on the issuance of warrants. When warrants are exercised, the related amount is transferred to share capital. Any revaluation of warrants based on the extension of the warrants' life, modification of exercise price, etc., issued in prior years are recorded directly in deficit. Deficit includes all current and prior period profits or losses.

##### *n) Income tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.



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#### 4 Summary of significant accounting policies (continued)

##### n) *Income tax (continued)*

Current income tax assets and/or liabilities are 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.

However, since the Company currently has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Deferred 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 tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred 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 tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets and liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

##### o) *Earnings per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

##### p) *Segmented reporting*

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors.

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#### 4 Summary of significant accounting policies (continued)

The Company has determined that it operates in two segments, being acquisition, exploration and development of mineral properties for economically recoverable reserves in Canada and generating revenue from providing services using the CARDS.

*q) New accounting standards adopted effective March 1, 2020*

Effective March 1, 2020, the Company adopted IFRS 3, Business Combinations, where the amendments clarify the definition of a business, provide guidance in determining whether an acquisition is a business combination or a combination of a group of assets, emphasize that the output of a business is to provide goods and services to customers and provide supplementary guidance. The adoption had no impact on the Company's results of operations, financial position, and disclosures.

*r) Standards, amendments and interpretations not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for the February 28, 2021 reporting period. Updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company is currently assessing the impact of these new standards, if any, on its consolidated financial statements.

IAS 1 (Amendment) – Presentation of Financial Statements (effective January 1, 2022). The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

#### 5 Critical accounting estimates and judgments

Significant estimates, judgements and assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates, judgements and assumptions made, relate to, but are not limited to, the following:

##### Estimates

- The assessment of the ultimate collectability of accounts receivable and the determination of expected credit losses;
- Useful life of intangible asset – CARDS – the determination that there are no indicators suggesting that the useful life and/or method of calculating amortization require revision;
- The assessment of the timing of revenue recognition and the determination of contract liabilities; and
- The estimation of share-based compensation requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

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#### 5 Critical accounting estimates and judgments (continued)

##### Judgements

- The determination that no material restoration, rehabilitation and environmental obligations and liabilities existed based on the facts and circumstances; and
- The assessment of the Company's ability to execute its strategy by funding future working capital. Further information regarding going concern is outlined in note 2.

#### 6 Asset purchase agreement

On March 13, 2017, the Company signed an Asset Purchase Agreement (the "Agreement") with Diagnos Inc. ("Diagnos") for the purchase of the assets from Diagnos' mining division, including the Computer Aided Resources Detection System (the "CARDS"), for total value of \$800,000.

Under the terms of the Agreement, the Company issued 8,000,000 common shares to Diagnos, at a price of \$0.10 per share, in payment for the acquisition of the assets, consisting of Diagnos' mining claims, mineral property royalty agreements and the CARDS.

Per the Agreement, the allocation of the purchase price was as follows:

CARDS	\$750,000
Mining claims (note 11)	26,000
Royalty agreements	24,000
	<u>\$800,000</u>

The Company will remit to Diagnos (i) 50% of any payment that the Company receives from the royalty agreements forming part of the acquired assets; and (ii) 5% of revenues generated by the commercialization of the CARDS in the mining sector activity.

Subsequent to the Agreement date, the Company wrote down the royalty agreements to \$1, and incurred a loss on the write down in the amount of \$23,999.

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#### 7 Amounts receivable / Prepaid expenses

	November 30 2021 \$	February 28 2021 \$
Trade receivables	52,500	-
Option payment receivable	10,000	20,000
GST/QST receivable (payable)	18,958	23,851
Work in progress	-	-
	81,458	43,851
Allowance for doubtful accounts	(60,000)	(20,000)
Net	21,458	23,851

As at November 30, 2021, the allowance for doubtful accounts provision was as follows:

	November 30 2021 \$	February 28 2021 \$
<b>Balance – Beginning of period</b>	20,000	57,000
Bad debts expense (note 18)	50,000	-
Write-offs and recoveries (note 18)	(10,000)	(37,000)
<b>Balance – End of period</b>	60,000	20,000

#### Prepaid expenses

On February 23, 2021, the Company entered into a consulting agreement with a consultant, whereby the consultant will provide the Company with social media and outreach strategy services for a period of six months. As compensation for providing these services, the consultant received a \$100,000 consulting fee. As at November 30, 2021, nil is included in prepaid expenses. In March 2021, the consultant paid \$100,000 and received 285,714 units as part of the Company's non-brokered private placement.

On March 8, 2021, the Company entered into a subcontractor agreement (the "SA") with a company that provides drone services, geospatial analysis and other related digital exploration services for base and precious metals. Pursuant to the SA, the subcontractor will receive a consulting fee of \$20,000 initial setup and \$40,000 per month for 12 months for a total of \$500,000 (*paid*), until March 8, 2022. Furthermore, the Company will pay an additional \$500,000 for services as may be required from time to time as specified in a SOW signed by the parties. Either party can terminate the SA at any time for any reason by giving 15 days written notice. In March 2021, the subcontractor paid \$500,000 and received 1,428,571 units as part of the Company's non-brokered private placement.

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#### 7 Amounts receivable / Prepaid expenses - continued

On April 1, 2021, the Company entered into a services agreement (the “SA”) with a consultant, whereby the consultant will provide the Company with general capital markets consulting services for international markets. As compensation for providing these services, the consultant will receive a €250,000 consulting fee, paid in advance (paid - \$378,575). The SA is for a term of nine months until December 31, 2021. The Company can terminate the SA by giving 30 days’ written notice. The SA will end on March 8, 2022 unless renewed in writing prior to expiry.

#### 8 Marketable securities / Subscription paid

##### Marketable securities

Marketable securities consist of equity securities of customers purchased by the Company and received as option payments by the Company and which it does not have control or significant influence over.

In 2020, the Company’s SAs (note 4 g) typically included a “Warranties and Covenants” clause whereby the customer warrants to the Company that the Company will participate in the next private placement of the customer with a minimum subscription amount equal to the price paid by the customer pursuant to the SA. During 2021, the nature of the SAs changed in that the Company is no longer acquiring shares of customers. In some instances, the customer has the option of making the second payment under the SA in cash or common shares.

Continuity table:

	<b>November 30 2021 \$</b>	<b>February 28 2021 \$</b>
<b>Balance – beginning of period</b>	1,368,179	393,534
Purchases (1)	120,000	140,000
Received as option payments (note 11)	-	115,000
Received as revenue	153,000	18,000
Dispositions	-	(30,000)
Unrealized gain (loss) on marketable securities	(337,851)	731,645
<b>Balance – end of period</b>	<b>1,303,328</b>	<b>1,368,179</b>

(1) Purchases includes \$100,000 that was recorded as subscription paid as at February 29, 2020 and reclassified to marketable securities upon the completion of the Chilean Metals Inc. private placement on September 27, 2020.

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#### 8 Marketable securities / Subscription paid (continued)

Fair value increase (decrease) for the period:

	November 30 2021 \$	February 28 2021 \$
Marketable securities – fair value	1,303,328	1,368,179
Marketable securities – cost	(1,094,762)	(821,762)
	<u>208,566</u>	<u>546,417</u>
Market value adjustment during the period	(337,851)	731,645

As at November 30, 2021, the Company held the following marketable securities:

Company	Shares Held	Cost \$	Fair Value \$	Fair Value Increase (Decrease) \$
Playfair Mining Ltd.	2,000,000	100,000	180,000	80,000
Chilean Metals Inc (1)	1,400,000	140,000	238,000	98,000
BWR Exploration Inc. (2)	1,500,000	75,000	45,000	(30,000)
Puma Exploration Inc. (3)	500,000	75,000	205,000	130,000
Quebec Precious Metals Corporation	562,553	123,762	149,078	25,316
Pacton Gold Inc. (4)	145,833	175,000	70,000	(105,000)
Flow Metals Corp. (5)	1,100,000	115,000	27,500	(87,500)
AurCrest Gold Inc. (6)	700,000	96,000	227,500	131,500
Dios Exploration (7)	750,000	75,000	56,250	(18,750)
MacDonald Mines	3,000,000	120,000	105,000	(15,000)
		<u>1,094,762</u>	<u>1,303,328</u>	<u>208,566</u>

(1) 1,400,000 half share purchase warrants, (700,000 full warrants) exercisable at \$0.15 per share for two years were also received.

(2) 750,000 share purchase warrants exercisable at \$0.075 per share for two years and \$0.10 per share for the third year were also received.

(3) 7,000,000 common shares were purchased and a 10 for 1 share consolidation reduced the number of shares held to 700,000. On November 17, 2020, the Company sold 200,000 shares for an amount of \$44,232 resulting in a \$14,232 realized gain.

(4) 1,458,333 share purchase warrants exercisable at \$0.18 per share for two years were also received. On June 9, 2020, a 10 for 1 share consolidation reduced the number of shares held to 145,833.

(5) The Company received 100,000 common shares pursuant to the Option Agreement. On June 22, 2020, the company's shares were listed for trading on the Canadian Securities Exchange and the Company received

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#### 8 Marketable securities / Subscription paid (continued)

500,000 common shares. An additional 500,000 common shares were received on the first anniversary of the Option Agreement. See note 11.

- (6) The Company received 300,000 common shares from AurCrest Gold Inc. from a CARDS agreement signed on August 31, 2020. The Company received a further \$25,000 and 400,000 common shares as one of the high-priority targets was identified and drilled by May 26, 2021.
- (7) The Company received 750,000 common shares from Dios Exploration Inc. on August 12, 2021 in payment for AI services. The shares were valued at \$0.10 at the time of invoicing. Also, a certificate for the exercise of 250,000 warrants into 250,000 common shares was received, convertible at \$0.10 and expiring on August 12, 2026.
- (8) The Company purchased 3,000,000 units at \$0.04 on November 9, 2021. Each unit is composed of one share and one half of common share purchase warrants exercisable at \$0.07 until November 9, 2023.

Pursuant to a CARDS agreement signed on June 22, 2020, it will generate targets. For each target that Durango Resources Inc. ("Durango") stakes or options in a specific area from another company, the Company will receive a 2% net smelter return ("NSR"). Durango will have the option to acquire 1% of this NSR for \$1,000,000 anytime within five years of the economic discovery.

The Company received 200,000 options from BTU Metals Corp., exercisable at \$0.30 for 18 months from a CARDS agreement signed on July 5, 2020.

Following is a summary of warrants and options held by the Company as at November 30, 2021:

Company	Number of purchase warrants/options held	Exercise price \$	Expiry Date
<u>Warrants</u>			
BWR Exploration Inc.	750,000	0.075/0.10 *	September 30, 2022
Chilean Metals Inc.	700,000	0.15	September 27, 2022
Pacton Gold Inc.	145,833	1.80	December 23, 2021
Puma Exploration	700,000	0.20	September 27, 2023
Dios Exploration Inc.	250,000	0.10	August 12, 2026
MacDonald Mines	1,500,000	0.07	November 9, 2023
<u>Options</u>			
BTU Metals Corp.	200,000	0.30	January 5, 2022

\* \$0.075 per share for two years and \$0.10 per share for the third year.

#### Subscription paid

On October 6<sup>th</sup>, 2021, the Company subscribed for 1,000,000 units of Catalyst Mines Inc. at \$0.10 per common share for a total of cost of \$100,000.

On May 17<sup>th</sup>, 2021, the Company subscribed for 1,000,000 units of customer Grand Pacific Resources Inc. at \$0.01 per common share for a total of cost of \$10,000.

On September 27, 2020, the private placement of Chilean Metals Inc. closed, converting the subscribed \$100,000 to 1,000,000 units at \$0.10 per unit. Additionally, the Company purchased 400,000 units

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through an artificial service agreement in the same placement. Each unit is comprised of one common share and half of a common share purchase warrant. Each full warrant is exercisable at \$0.15 per common share for two years.

#### 9 Office equipment

	November 30 2021 \$	February 28 2021 \$
<b>Cost:</b>		
Balance – Beginning of period	29,746	26,632
Additions during the period	3,802	3,114
<b>Balance – End of period</b>	<b>33,548</b>	<b>29,746</b>
<b>Accumulated depreciation:</b>		
Balance – Beginning of period	(8,591)	(3,108)
Additions during the period	(5,031)	(5,483)
<b>Balance – End of period</b>	<b>(13,622)</b>	<b>(8,591)</b>
<b>Net book value:</b>		
Balance – Beginning of period	21,155	23,524
Increase (decrease) during the period	1,229	(2,369)
<b>Balance – End of period</b>	<b>19,926</b>	<b>21,155</b>

#### 10 Intangible asset

	November 30 2021 \$	February 28 2021 \$
<b>Cost:</b>		
<b>Balance – Beginning and end of period</b>	<b>750,000</b>	<b>750,000</b>
<b>Accumulated depreciation:</b>		
Balance – Beginning of period	(600,000)	(450,000)
Additions during the period	(112,500)	(150,000)
<b>Balance – End of period</b>	<b>(712,500)</b>	<b>(600,000)</b>
<b>Net book value:</b>		
Balance – Beginning of period	150,000	300,000
Increase (decrease) during the period	(112,500)	(150,000)
<b>Balance – End of period</b>	<b>37,500</b>	<b>150,000</b>



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#### 11 Exploration and evaluation assets

##### Quebec properties

##### Ashuanipi

The Ashuanipi property consists of 115 claims totaling 5,963 ha.

On January 10, 2018, the Company acquired 283 claims comprising the Ashuanipi Gold Property.

During the year ended February 28, 2019, the Company acquired an additional 6 claims, bringing the total number of claims comprising this property to 289.

During the year ended February 29, 2020, the Company incurred \$119,975 (year ended February 28, 2019 - \$201,051) of exploration and evaluation expenditures on assessing the potential of this property.

On March 20, 2018, the Company entered into a purchase agreement to acquire 9 mining claims at the Lac Guillaume property, Quebec. Pursuant to the terms of the agreement, the Company issued 150,000 common shares, valued at \$11,250, to acquire the claims. The vendor retained a 1% NSR on the property. The Company can reduce the NSR to 0.5% at any time by paying to the vendor the amount of \$500,000.

On October 2, 2019, the Company renewed 115 claims for this property at a cost of \$13,646. This amount was recorded in the consolidated statement of operations. 168 claims were not renewed. On February 21, 2020, the Company entered into the Properties Option Agreement Ashuanipi Project (the "Option Agreement") with private company Flow Metals Corp. ("FM"), pursuant to which FM was granted a sole and exclusive option to acquire a 100% undivided interest in the Company's rights, title and interest in and to the 115 claims comprising the Ashuanipi Gold Property. On April 21, 2020, the Company entered into an Amendment Agreement to the Option Agreement, whereby certain of the conditions were deleted and replaced. In order for FM to acquire an undivided 100% interest in the properties it must:

- Issue 100,000 common shares (received) to the Company within 10 days of the date of the Option Agreement;
- Issue an additional 500,000 common shares (received) to the Company on the date that it becomes a public company;
- Sign a \$60,000 contract (signed), payable in cash, to use CARDS on another project of the company within 45 days of becoming a public company;
- Pay \$30,000 (received) in cash within 13 months of becoming a public company;
- Issue 500,000 common shares (received) to the Company by February 19, 2021;
- Pay \$40,000 in cash and issue 500,000 common shares to the Company by February 19, 2022;
- Pay \$50,000 in cash and issue 500,000 common shares to the Company by February 19, 2023; and;
- Spend \$450,000 on exploration within the first three years of the Option Agreement.

FM granted the Company a 2% net smelter return royalty (the "NSR") in respect of each property upon which the purchase option is exercised. FM has the option to acquire 1% of the NSR upon payment of \$750,000 at any time within five years of the Economic Discovery (not defined).

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#### 11 Exploration and evaluation assets (continued)

FM has the right to terminate the Option Agreement at any time without further obligation to the Company and any payments made will be retained by the Company.

##### Chapais

The Chapais property consists of 36 claims totaling 1,613 ha. In September 2019, the Company completed an updated NI 43-101 technical report for the property. The report confirmed the strong mineral potential of the Chapais Property. During the years ended February 28, 2021 and February 29, 2020, the Company did not incur any exploration and evaluation expenditures on this property. On June 23, 2021, the Company entered into an option agreement for this property. The Company entered into a property option agreement ("Option Agreement") with private company ("GPR"), pursuant to which GPR was granted the option to earn up to an undivided 90% interest in and to the 36 claims comprising the Chapais project. In order for GPR to acquire an undivided 90% interest in the claims, it must:

- Pay \$100,000 in cash and issue 1,000,000 common shares to the Company within 90 days of the date of Option Agreement;
- Pay \$25,000 in cash and issue 200,000 common shares to the Company within 100 days of the date of Option Agreement;
- On or before January 31, 2022 and upon completion of a Going Public Transaction, pay \$250,000 in cash and issue that number of common shares to the Company such that the total number of common shares issued to the Company is equal to 20% of all of the issued and outstanding common shares of the resulting issuer and incurring \$200,000 in work commitment expenditures ("WCE"), whereafter GPR will have earned a 51% legal and beneficial interest in the claims;
- On or before September 30, 2022, incur \$200,000 in additional WCE, whereafter GPR will have earned a 75% legal and beneficial interest in the claims;
- On or before September 30, 2023, pay \$250,000 in cash to the Company.
- On or before December 31, 2023, incurring \$250,000 in additional WCE, whereafter GPR will have earned a 90% legal and beneficial interest in the property.

# Windfall Geotek Inc.

(formerly known as Albert Mining Inc.)

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(in Canadian dollars, except per share amounts)

#### 11 Exploration and evaluation assets (continued)

GPR may, at its option, accelerate all payments of cash or issuance of common shares provided that accelerated WCE incurred by GPR will be carried over and credited to GPR only upon the next due date for WCE. IF GPR exercises the option, the Company is entitled to a 1% NSR. The Company has the right, at any time, to purchase an additional 1% NSR from GPR for \$500,000. Upon GPR completing the above-noted requirements, to acquire any interest in the property, whether 51%, 75% or 90%, GPR will be deemed to have exercised the applicable portion of the option in full and the Company will assign and transfer 90% of the claims to a wholly-owned subsidiary of GPR. Upon conclusion of the option period, the Company and GPR will negotiate and enter into a joint venture agreement regarding the development and exploitation of the property. The Company is entitled to appoint or elect one nominee to the board of directors of GPR and/or the resulting issuer and the right, but not the obligation to participate in any issuance and sale of common shares, directly or indirectly, completed by the resulting issuer following the going public transaction to maintain its Participation Interest in the resulting issuer. GPR has the right to terminate Option Agreement at any time without any further obligation to the Company and any payments made will be retained by the Company. This transaction is subject to Exchange approval.

#### Wachigabau Lake

The Wachigabau Lake property includes 48 claims totaling 1,842 ha. During the years ended February 28, 2021 and February 29, 2020, the Company did not incur any exploration and evaluation expenditures on this property. During the years ended February 28, 2021 and February 29, 2020, the Company paid \$2,115 to renew these claims.

#### Lasarre

The Lasarre property consists of 4 claims totaling 168 ha. During the years ended February 28, 2021 and February 29, 2020, the company did not incur any exploration and evaluation expenditures on this property.

#### Various properties purchases

During the fiscal 2022, the Company purchased claims in the following area:

Purchases of 130 claims in Gaspésie, 450 claims in Detour Quebec, 11 claims in Lac Fontbone, 33 claims in Rivière Assup, 28 claims in Lac Barry and 158 claims in Eastman.

The Company purchased 412 claims during the current quarter for a total ownership of 1013 claims on November 30, 2021 in the province of Quebec.

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#### 11 Exploration and evaluation assets (continued)

##### Ontario properties

###### Gerry Lake

The Gerry Lake property is composed of 356 claims that were staked during the first quarter of 2021.

###### Coralien Lake

The Coralien Lake property is composed of 453 claims where 264 were staked during the first quarter of 2021, 84 claims that were staked during the second quarter of 2021 and 105 during the current quarter.

On July 16, The Company entered into a property option agreement with Golden Eye Resources ("GER"), pursuant to which GER was granted the option to earn up to an undivided 95% interest in the 348 claims comprising the Corallen Lake property. In order for GER to acquire an undivided 95% interest in the claims, it must:

- Pay \$250,000 in cash and issue 3,000,000 common shares to the Company within 30 days following receipt of approval from the Exchange;
- On or before December 31, 2021, incurring two hundred thousand dollars (\$200,000) in additional work commitment expenditures whereafter the optionne shall have earned 25% legal interest in the property;
- On or before December 31, 2022, hiring the Company to provide services for artificial intelligence for \$150,000 pursuant to the "MSA" and incurring an additional \$300,000 in addition work commitment expenditures whereafter the optionne shall have earned in total, 50% legal interest in the property;
- On or before December 31, 2023, hiring the Company to provide services for artificial intelligence for \$150,000 pursuant to the "MSA" and incurring an additional \$400,000 in addition work commitment expenditures whereafter the optionne shall have earned in total, 75% legal interest in the property;
- On or before December 31, 2024, required to pay \$150,000 in cash for the Company to provide services for artificial intelligence and incurring an additional \$450,000 in addition work commitment expenditures whereafter the optionne shall have earned in total, 95% legal interest in the property;

Upon exercise of the option, the Company shall become entitled to a 2% net smelter return royalty.

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#### 11 Exploration and evaluation assets (continued)

##### Shaver

The Shaver property is composed of 682 claims were 384 claims were staked during the first quarter of 2021, 202 claims were staked during the second quarter 2021 and 96 claims during the current quarter.

##### Sobeski Lake

The Sobeski Lake property is composed of 164 claims were 52 claims were staked during the first quarter of 2021 and 112 claims were staked during the current quarter of 2021.

##### Fort Hope

A total of 1,754 claims were purchased at Fort Hope, during the current quarter ending November 30, 2021.

##### Timmins

A total of 693 claims were purchased at Fort Hope, during the current quarter ending November 30, 2021.

##### Burntbush

A total of 841 claims were purchased at Fort Hope, during the current quarter ending November 30, 2021.

##### Fatty Lake

A total of 10 claims were purchased at Fort Hope, during the current quarter ending November 30, 2021.

During the current quarter, a total of 1,754 claims were purchased in Ontario, for a total ownership of 4,953 claims in the Province of Ontario.

#### **New Brunswick properties**

##### Various properties purchases

During the third quarter of 2022, the Company purchased 99 claims in the following area:

Purchases of 29 claims at West Nine Mile Brook property, 20 claims at Spring Brook property, 16 claims at Little River property, 7 claims at Mount Ganong property and 27 claims at Upsalquitch Lake property.

In total, the Company owns 6,065 claims in the three provinces of Quebec, Ontario and New Brunswick, on November 30, 2021.

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#### 12 Accounts payable and accrued liabilities

	November 30 2021 \$	February 28 2021 \$
Accounts payable (note 19)	40,600	48,424
Accrued liabilities (note 19)	24,749	79,250
	<u>65,349</u>	<u>127,674</u>

#### 13 Contract liabilities

	November 30 2021 \$	February 28 2020 \$
<b>Balance – Beginning of period</b>	79,000	77,963
Payments for revenue prior to performance obligation	-	79,000
Recognized as revenue	<u>(79,000)</u>	<u>(77,963)</u>
<b>Balance – End of period</b>	<u>-</u>	<u>79,000</u>

#### 14 CEBA loan

On April 27, 2020, the Company received, through the Bank of Montreal, a \$40,000 loan (“Principal”). During the initial term expiring on December 31, 2022, the Company is not required to repay any portion of the loan and no interest will be paid. The loan can be repaid at any time without penalty. If the Company repays at least 75% of the loan on or before December 31, 2022, the remaining balance of the loan will be forgiven (“Early Repayment Forgiveness”). During the extended term starting January 1, 2023 and expiring on December 31, 2025, the Company will pay interest at the rate of 5% on a monthly basis. In the event there is no Early Repayment Forgiveness, the Principal must be repaid in full on December 31, 2025. Commencing January 15, 2021, the Company began repaying the CEBA loan in monthly instalments of \$2,500.

#### 15 Share capital and warrants

##### a) Share issuance

###### *Fiscal 2022*

- (i) On March 17, 2021, the Company completed a non-brokered private placement by issuing 10,000,000 units of the Company for gross proceeds of \$3,500,000. Each unit consists of (i) one common share at a price of \$0.35 per common share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of \$0.50 per common share for a period of 24 months expiring on March 17, 2023.

In connection with the private placement, the Company paid total cash issuance costs of \$37,554.

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#### 15 Share capital and warrants (continued)

The 10,000,000 warrants issued in connection with this private placement have been recorded at a value of \$1,408,398 based on the proportional method using the Black Scholes pricing model, using the following assumptions: share price of \$0.38, an average exercise price of \$0.50, risk free interest rate of 0.27%, expected life of warrants of 2 years, annualized volatility rate of 150% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

##### *Fiscal 2021*

- (i) On January 20, 2021, the Company completed a non-brokered private placement by issuing 9,996,667 units of the Company for gross proceeds of \$599,800. Each unit consisted of (i) one common share at a price of \$0.06 per common share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of \$0.08 per common share for a period of 24 months expiring January 20, 2023.

In connection with the private placement, the Company paid total cash issuance costs of \$3,749.

The 9,996,667 warrants issued in connection with this private placement have been recorded at a value of \$261,707 based on the proportional method using the Black Scholes pricing model, using the following assumptions: share price of \$0.11, an average exercise price of \$0.08, risk free interest rate of 0.16%, expected life of warrants of 2 years, annualized volatility rate of 157% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

- (ii) On June 12, 2020, the Company completed a non-brokered private placement by issuing 6,740,000 units of the Company for gross proceeds of \$337,000. Each unit consisted of (i) one common share at a price of \$0.05 per common share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of \$0.07 per common share for a period of 24 months expiring June 12, 2022.

In connection with the private placement, the Company paid total cash issuance costs of \$2,435.

The 6,740,000 warrants issued in connection with this private placement have been recorded at a value of \$139,183 based on the proportional method using the Black Scholes pricing model, using the following assumptions: share price of \$0.07, an average exercise price of \$0.07, risk free interest rate of 0.28%, expected life of warrants of 2 years, annualized volatility rate of 147.4% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

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#### 15 Share capital and warrants (continued)

##### b) Warrants exercised

###### *Fiscal 2022*

- (i) On March 11, 2021, 40,000 warrants were exercised at \$0.07 for gross proceeds of \$2,800, 1,240,000 warrants were exercised at \$0.05 for gross proceeds of \$62,000 and 300,000 warrants were exercised at \$0.07 for gross proceeds of \$21,000, resulting in the issuance of 1,580,000 common shares.
- (ii) On May 28, 2021, 1,600,000 warrants were exercised at \$0.08 for gross proceeds of \$128,000, resulting in the issuance of 1,600,000 common shares.
- (iii) On June 25<sup>th</sup>, 2021, 100,000 warrants were exercised at \$0.08 for gross proceeds of \$8,000 and on August 19<sup>th</sup>, 200,000 warrants were exercised at \$0.08 for gross proceeds of \$16,000. This resulted in the issuance of 300,000 common shares.

###### *Fiscal 2021*

- (i) During January and February 2021, 1,750,000 warrants were exercised at \$0.07 for gross proceeds of \$122,500. An amount of \$36,138 representing the fair value allocated at the date of issue for the warrants was reclassified from the warrants reserve to share capital.
- (ii) During January and February 2021, 5,360,000 warrants were exercised at \$0.05 for gross proceeds of \$268,000. An amount of \$117,994 representing the fair value allocated at the date of issue for the warrants was reclassified from the warrants reserve to share capital.
- (iii) During January and February 2021, 900,000 warrants were exercised at \$0.07 for gross proceeds of \$63,000. An amount of \$19,416 representing the fair value allocated at the date of issue for the warrants was reclassified from the warrants reserve to share capital.

##### c) Changes in Company warrants are as follows:

	Number of warrants	Weighted average exercise price
<b>Balance, February 29, 2020</b>	<b>17,436,180</b>	<b>\$ 0.06</b>
Exercised	(8,010,000)	0.06
Issued	16,736,667	0.08
<b>Balance, February 28, 2021</b>	<b>26,162,847</b>	<b>\$ 0.07</b>
Exercised	(3,480,000)	0.07
Issued	10,000,000	0.35
<b>Balance, November 30, 2021</b>	<b>32,682,847</b>	<b>0.15</b>

The weighted average contractual life of all warrants outstanding as at November 30, 2021, is 8.8 months.



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#### 15 Share capital and warrants (continued)

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Number of warrants	Exercise price \$	Expiry Date
8,400,000	0.07	January 19, 2022
1,536,180	0.095	April 11, 2024
4,650,000	0.07	June 12, 2022
8,096,667	0.08	January 20, 2023
10,000,000	0.35	March 17, 2026

#### 16 Share-based payments

The Company has a stock option plan whereby the Board of Directors may grant to directors, officers or consultants of the Company options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a “rolling” stock option plan (the “Plan”) reserving a maximum of 10% of the shares of the Company at the time of the stock option grant, with a vesting period allowed of zero up to 18 months, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares. The number of stock options granted to a beneficiary and the vesting period are determined by the Board of Directors.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee or consultant of the Company and between three and 12 months after the beneficiary has left.

The options granted in 2021 and 2020 were granted at a price equal to the closing market value of the shares, the previous day before the grant.

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#### 16 Share-based payments (continued)

The changes to the number of stock options granted by the Company and their weighted average exercise price are as follows:

	November 30 2021		February 28 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
<b>Stock options</b>				
<b>Balance – Beginning of period</b>	4,150,000	0.08	4,200,000	0.08
Granted	4,150,000	0.34	2,850,000	0.09
Exercised	(750,000)	0.07	(2,900,000)	0.09
<b>Balance – End of period</b>	<b>7,550,000</b>	<b>0.22</b>	<b>4,150,000</b>	<b>0.08</b>
<b>Options exercisable – End of period</b>	<b>6,775,000</b>	<b>0.22</b>	<b>4,150,000</b>	<b>0.08</b>

#### a) Options granted

##### *Fiscal 2022*

- (i) On March 23, 2021, the Company granted 2,500,000 options to the CTO. The options are exercisable for five years at an exercise price of \$0.365 per option. The options vest in four equal tranches with 25% vesting on March 23rd and 25% on each of June 30, 2021, September 30, 2021 and December 31, 2021. The stock options have a Black-Scholes option pricing value of \$817,678 which is expensed in the consolidated statement of operations, during the vesting period.
- (ii) On March 29, 2021, the Company granted 1,300,000 options to Officers and employees. The options are exercisable for five years at an exercise price of \$0.295 per option. The stock options have a Black-Scholes option pricing value of \$348,423 which has been expensed in the consolidated statement of operations.
- (iii) On April 20, 2021, the Company granted 200,000 options to a consultant. The options are exercisable for five years at an exercise price of \$0.42 per option. The stock options have a Black-Scholes option pricing value of \$75,778 which has been expensed in the consolidated statement of operations.

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#### 16 Share-based payments (continued)

- (iv) On May 11, 2021, the Company granted 105,000 options to employees. The options are exercisable for five years at an exercise price of \$0.30 per option. The options vest in three equal tranches with one-third vesting on each of the first, second and third year of employment. The stock options have a Black-Scholes option pricing value of \$28,256 which is expensed in the consolidated statement of operations, during the vesting period.
- (v) On October 8, 2021, the Company granted 45,000 options to an employee. The options are exercisable for five years at an exercise price of \$0.165 per option. The options vest in three equal tranches with one-third vesting on each of the first, second and third year of employment. The stock options have a Black-Scholes option pricing value of \$6,567 which is expensed in the consolidated statement of operations, during the vesting period.

##### *Fiscal 2021*

- (vi) On July 7, 2020, the Company granted 2,850,000 options to officers, employees and consultants. The options are exercisable for five years at an exercise price of \$0.09 per option. The stock options have a Black-Scholes option pricing value of \$120,350 which has been expensed in the consolidated statement of operations.

#### b) Options exercised

##### *Fiscal 2022*

- (i) On March 9, 2021, 100,000 stock options were exercised at a price of \$0.09 per share for gross proceeds of \$9,000. An amount of \$8,300 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.
- (ii) On April 12, 2021, 400,000 stock options were exercised at a price of \$0.07 per share for gross proceeds of \$28,000. An amount of \$26,343 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.
- (iii) On April 16th, 50,000 stock options were exercised at an average price of \$0.07 per share for gross proceeds of \$3,500. An amount of \$3,328 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.
- (iv) On October 18th, 200,000 stock options were exercised at an average price of \$0.07 per share for gross proceeds of \$14,000. An amount of \$13,171 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.

##### *Fiscal 2021*

- (i) During February 2021, 1,450,000 stock options were exercised at an average price of \$0.09 per share for gross proceeds of \$130,500. An amount of \$120,350 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.
- (ii) During February 2021, 150,000 stock options were exercised at a price of \$0.07 per share for gross proceeds of \$10,500. An amount of \$9,984 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.

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#### 16 Share-based payments (continued)

(iii) During February 2021, 950,000 stock options were exercised at an average price of \$0.11 per share for gross proceeds of \$104,500. An amount of \$105,082 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.

(iv) During February 2021, 350,000 stock options were exercised at a price of \$0.07 per share for gross proceeds of \$24,500. An amount of \$16,552 representing the fair value allocated at the date of issue for the options was reclassified from the contributed surplus reserve to share capital.

For the period ended November 30, 2021, the share-based compensation charged to the consolidated statement of operations was \$1,230,898 (year ended February 28, 2021 – \$248,964).

As at November 30, 2021, the Company had the following stock options outstanding:

Expiry date	Exercise price \$	Options granted	Number of options exercisable	Remaining contracts life (years)
May 22, 2022	0.10	1,000,000	1,000,000	0.47
May 31, 2022	0.10	250,000	250,000	0.50
September 18, 2023	0.05	800,000	800,000	1.80
November 25, 2024	0.07	50,000	50,000	2.99
July 7, 2025	0.09	1,300,000	1,300,000	3.60
March 23, 2026	0.365	2,500,000	1,875,000	4.31
March 29, 2021	0.295	1,300,000	1,300,000	4.33
April 20, 2021	0.42	200,000	200,000	4.39
May 11, 2021	0.30	105,000	-	4.45
October 8, 2021	0.165	45,000	-	4.86
		<b>7,550,000</b>	<b>6,775,000</b>	<b>3.29</b>

During the period ended November 30, 2021, share-based compensation fair value was calculated on options based on the following assumptions:

Grant Date	October 8 2021	May 11 2021	April 20 2021	March 29 2021	March 23 2021
Number of options	45,000	105,000	200,000	1,300,000	2,500,000
Exercise price	\$0.165	\$0.30	\$0.42	\$0.295	\$0.365
Risk free interest	1.37%	0.73%	0.73%	0.74%	0.73%
Expected volatility	139.22	145.04%	147.25%	150.17%	150.47%
Expected life (years)	5	5	2	5	5
Estimated fair value per option	\$0.146	\$0.269	\$0.379	\$0.268	\$0.327
Estimated fair value	\$6,567	\$28,256	\$75,778	\$348,423	\$817,678
Forfeiture rate	0.00%	0.00%	0.00%	0.00%	0.00%

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#### 17 Loss per share

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has two categories of dilutive potential common shares: warrants and stock options. For both, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's outstanding shares for the year), based on the exercise prices attached to the warrants and stock options. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the warrants and stock options. The calculation of basic and diluted earnings (loss) per share is based on the net income or loss for the year divided by the weighted average number of shares outstanding during the same period.

	Three-months period ended November 30 2021 \$	Three-months period ended November 30 2020 \$	Nine-months period ended November 30 2021 \$	Nine-months period ended November 30 2020 \$
Net income (loss) for the period	(954,771)	(7,006)	(4,455,922)	(7,830)
Weighted average number common shares outstanding	123,894,541	89,158,881	116,056,790	85,576,525
Dilutive share options and warrants		-		-
Weighted average number of outstanding shares for diluted earnings per share	123,894,541	89,158,881	116,056,790	85,576,525
Basic and diluted loss per share	(0.01)	(0.00)	(0.04)	(0.00)

#### 18 General and administration

	Three-months period ended November 30 2021 \$	Three-months period ended November 30 2020 \$	Nine-months period ended November 30 2021 \$	Nine-months period ended November 30 2020 \$
<b>General and administrative</b>				
Bad debts	(50,000)	9,000	(50,000)	37,000
Consulting fees, salaries	(301,805)	(71,063)	(862,182)	(212,606)
Travel and promotion	(172,220)	(34,396)	(1,377,330)	(74,707)
Shareholder information	(8,927)	(32,865)	(45,479)	(49,337)
Professional fees	(61,667)	(80,903)	(168,323)	(186,389)
Office and general expense	(13,475)	(14,222)	(58,622)	(34,680)
	(608,094)	(224,449)	(2,561,936)	(520,719)

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#### 18 General and administration (continued)

- a) On March 4, 2021, the Company paid a consultant \$US250,000 (\$315,925) to provide digital media, marketing, data analytics and advertising services until April 16, 2021. On April 21, 2021, the Company paid an additional \$US250,000 (\$313,075) for additional services until May 31, 2021. On May 13, 2021, the Company entered into a master services agreement (the "MSA") with the consultant for the provision of consulting and other marketing services, with the specific details of the services for each project under the MSA being specified in a statement of work (the "SOW"). Either party can terminate the MSA or any SOW without cause at any time during the term of The MSA by giving written notice. The MSA is for a period of five years or until terminated by either party and will automatically renew each year thereafter for a period of one year unless either party notifies the other in writing prior to expiry. A SOW was included with the MSA for a flat fee of \$US100,000 (*paid – \$121,500*) for the provision of strategic digital media services, marketing and data analytics services for the period from May 13, 2021 to June 9, 2021.

#### 19 Related party balances and transactions

Related parties include the Board of Directors and key management personnel as well as close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. These transactions were measured by the exchange amount that is the amount agreed upon by the transacting parties.

##### (a) Transactions with key management personnel

Remuneration of key management personnel of the Company was as follows:

Related party transactions	Three-month period ended November 30 2021 \$	Three-month period ended November 30 2020 \$	Nine-month period ended November 30 2021 \$	Nine-month period ended November 30 2020 \$
Consulting fees	46,500	23,000	139,500	79,000
Commission	-	23,450	11,800	42,712
Salaries and benefit	47,500	32,305	140,192	96,915
Share based payments	-	-	1,010,344	161,850
	94,000	78,755	1,301,836	380,477

As at November 30, 2021, directors and key management personnel were owed \$nil (February 29, 2021 - \$16,922), which is included in accounts payables and accrued liabilities.

The Company entered into the following transactions with key management personnel:

On April 23, 2019, the Company entered into a Services Agreement (the "Agreement") with a consultant for the provision of the specified services which include acting as the Chairman of the Company's Board of Directors. Pursuant to the Agreement, the consultant received a grant of 800,000 stock options, will receive a fee of \$5,000 per month as compensation and a bonus will be considered when the Company's share price reaches \$0.35 and, thereafter, \$0.45. Either party can terminate the Agreement (i) for

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(in Canadian dollars, except per share amounts)

#### 19 Related party balances and transactions (continued)

convenience on the 30th day after giving written notice of termination or (ii) immediately for breach by giving written notice of termination. Within 30 days after the effective date of termination, the Company must pay all amounts owing to the consultant for services completed and accepted by the Company prior to the termination date. The term of the Agreement will continue until the later of the one-year term or such other date as may be agreed upon. On March 15, 2021, the consultant was appointed interim Chief Executive Officer (“CEO”) of the Company.

On March 1, 2020, the Company entered into a work agreement (the “WA”) to retain the services of the employee as CEO and President of the Company. Pursuant to the WA, the CEO will receive an annual base salary of \$120,000 and he is entitled to additional remuneration, being a bonus and commissions as follows:

- an annual performance bonus equal to 10% of total sales, from CARDS service contracts and/or data mining projects signed by him, for which cash has been received when the level of cash receipts from sales exceeds \$300,000 before taxes during each fiscal year; and
- a 10% commission on sales of Cards services.

The CEO can terminate the WA by giving four weeks written notice. The Company can terminate the WA unilaterally and at its discretion, by paying the CEO 12 month’s salary. In the event of termination resulting from a change of control, the Company will pay the CEO an amount equal to 12 months of the average monthly salary during the last 24 months preceding the termination of the WA. Additionally, the Company will be required to pay an amount equal to the exercise price of each option category multiplied by the number of options held the day before the change of control date. On that date, the CEO will exercise his options, the Company will retain the proceeds and the corresponding number of shares will be issued to the CEO. The WA is effective for an indefinite period. On March 15, 2021, the employee resigned as CEO and President of the Company and the WA was amended as follows:

- his title was changed to Director of Sales;
- he is entitled to a commission of 20% of the cash portion of sales of CARDS services and/or data mining projects signed by him where the cash portion exceeds \$100,000; and
- the WA will remain in effect for the next 12 months with a salary of \$160,000.

On March 1, 2020, the Company entered into a consulting agreement (the “CA”) to retain the services of the consultant as Chief Financial Officer (“CFO”) of the Company. Pursuant to the CA, the consultant will receive a fee of \$1,000 per month as total compensation. The consultant can terminate the CA by giving two months notice. The Company can terminate the CA by giving written notice and paying the consultant three times his monthly fee. In the event of termination resulting from a change of control, the Company will pay the consultant an amount equal six times his monthly fee. Additionally, the Company will be required to pay an amount equal to the exercise price of each option category multiplied by the number of options held the day before the change of control date. On that date, the CFO will exercise his options, the Company will retain the proceeds and the corresponding number of shares will be issued to the CFO. The CA is effective for an indefinite period.

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#### 19 Related party balances and transactions (continued)

On March 1, 2020, the Company entered into a consulting agreement (“CA2”) with a company controlled by the CFO of the Company to provide the specified services. Pursuant to CA2, the consultant will receive a fee of \$5,000 per month as total compensation. The consultant can terminate CA2 by giving two months notice. The Company can terminate CA2 by giving written notice and paying the consultant three times the monthly fee. In the event of termination resulting from a change of control, the Company will pay the consultant an amount equal to six times the monthly fee. CA2 is effective for an indefinite period. On March 25, 2021, CA2 was amended to increase the monthly fee to \$9,500 effective March 1, 2021.

Effective March 15, 2021, the Company entered into a work agreement (“WA2”) to retain the services of the employee as Chief Technical Officer (“CTO”) and President of the Company. Pursuant to WA2, the CTO will receive an annual base salary of \$190,000 and is entitled to additional remuneration, being a bonus plan that is equal to no less than 25% of the previous 12 months compensation. The CTO can terminate WA2 by giving four weeks written notice. The Company can terminate WA2 unilaterally and at its discretion by paying the CTO six month’s salary or as is provided by common law, whichever is greater, options and a four-week notice period. Additionally, all options received by the CTO over a predefined vesting schedule will vest immediately and he may, at his sole discretion, exercise the options. In the event of termination resulting from a change of control, the Company will pay the CTO an amount equal to six months of the average monthly salary during the last 12 months preceding the termination of WA2. In the event of a change of control and/or and a change in his duties, the same provisions for his options as described above will apply. WA2 is effective for an indefinite period, with the terms and conditions remaining in effect for the next 12 months. On March 23, 2021, the Company granted 2,500,000 options to the CTO. The options are exercisable for five years at an exercise price of \$0.365 per option. The options vest in four equal tranches with 25% vesting upon execution of WA2 and 25% on each of June 30, 2021, September 30, 2021 and December 31, 2021.

#### (a) Transactions with related companies

As at November 30, 2021, a former related company was owed Nil (May 31, 2020 - \$32,250), which is included in accounts payable and accrued liabilities.

	Three-month period ended November 30 2021 \$	Three-month period ended November 30 2020 \$	Nine-month period ended November 30 2021 \$	Nine-month period ended November 30 2020 \$
Related party transactions				
Diagnos Inc. – Consulting fees	-	32,328	-	100,489
Diagnos – Cards commission (2)	-	11,500	-	26,462
	-	43,828	-	126,951

The Company and Diagnos shared a common director until September 1, 2020 and the Company paid a commission of 5% of CARDS revenue to Diagnos pursuant to the Agreement (note 6). For the present quarter, as parties are no more related, there is no related companies transactions to disclose.



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#### 20 Segmented information

The Company has determined that it operates in two segments, being acquisition, exploration and development of mineral properties for economically recoverable reserves in Canada and providing AI services.

#### 21 Capital management policies and procedures

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties and to further develop its artificial intelligence consulting services business as described in notes 4 g) and 8. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders of the parent company, which is comprised of share capital, reserves and deficit which as at November 30, 2021, totalled a surplus of \$3,385,562 (February 29, 2021 – a surplus of \$2,955,840).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities.

In order to carry out its business plans and pay for general and administration costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- (i) minimizing discretionary disbursements;
- (ii) focusing financing exploration expenditures on those properties considered to have the best potential; and
- (iii) Exploring alternative sources of liquidity by providing services using artificial intelligence.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company thinks there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended November 30, 2021 and the year ended February 28, 2021.

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## 22 Financial instruments

### Measurement categories

As explained in note 4 e), financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of operations. For assets, those categories are amortized cost, FVTPL and FVTOCI and, for liabilities, amortized cost and FVTPL. The following table shows the carrying values of assets and liabilities for each of these categories as at November 30, 2021 and February 28, 2021.

Financial instruments	November 30	February 28
	2021	2021
	\$	\$
Assets – Amortized cost		
Cash	1,797,909	1,516,723
Amounts receivable (except GST/QST) (note 7)	2,500	-
Subscription paid (note 8)	110,000	-
	<u>1,910,409</u>	<u>1,516,723</u>
Assets – FVTPL		
Marketable securities (note 8)	1,303,328	1,368,179
	<u>3,213,737</u>	<u>2,884,902</u>
Liabilities – Amortized cost		
Accounts payable and accrued liabilities (note 12)	65,349	127,674
CEBA loan (note 14)	12,500	35,000
	<u>77,849</u>	<u>162,674</u>

As at November 30, 2021, the carrying values of cash and accounts payable and accrued liabilities approximate their fair value due to their relative short maturities.

### Fair value hierarchy

The following table classifies financial assets and liabilities that are recognized at fair value in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. As at November 30, 2021, marketable securities were categorized as level 1. As at November 30, 2021 and February 28, 2021, no other financial assets and or liabilities were categorized as level 1.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). As at November 30, 2021 and February 28, 2021, no financial assets and liabilities were categorized as level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data. As at November 30, 2021 and February 28, 2021, no financial assets and liabilities were categorized as level 3.

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(in Canadian dollars, except per share amounts)

#### 23 Financial risks factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, fair value risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and amounts receivable (except GST/QST). The Company reduces its credit risk by maintaining part of its cash in financial instruments held with a Canadian chartered bank.

The Company's management considers that financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Company's financial assets are secured by collateral or other credit enhancements.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Management estimates that the funds as at November 28, 2021 will be sufficient to meet the Company's obligations and budgeted expenditures through February 28, 2022. Any additional funding may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Cash flow forecasting is performed by the Company which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times. Surplus cash over and above balances required for working capital management are invested in interest bearing short-term deposits with a maturity within months, which are selected with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. Accounts payable and accrued liabilities as at November 30, 2021, consist of items that should be settled within approximately 30 days. See note 2 for information on going concern.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is therefore not exposed to fluctuations in the value of assets and liabilities as they are denominated in Canadian dollars.

b) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at November 30, 2021, the Company holds shares of publicly listed companies (note 8). The Company is exposed to market risk from unfavourable or favourable market conditions.

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#### 24 Commitments and contingencies

##### Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

##### Consulting agreements

On March 1, 2021, the Company entered into a consulting agreement with a consultant, whereby the consultant will provide the Company with management advisory services for an initial term of 12 months commencing on April 19, 2021. As compensation for providing these services, the consultant will receive a monthly fee of \$2,000 and 200,000 options exercisable for five years. The consultant can terminate the consulting agreement by giving 10 days written notice. The Company can terminate the consulting agreement by giving 30 days written notice. On April 20, 2021, the Company granted 200,000 options to the consultant. The options are exercisable for five years at an exercise price of \$0.42 per option.

#### 25 Events after the reporting period

On December 17, 2021 at the annual meeting of shareholders, a total of 3,500,000 options issued on March 23<sup>rd</sup> and 29<sup>th</sup>, 2021, were repriced at the closing price of the common shares of the Company, on December 16<sup>th</sup>, 2021.