RADIO FUELS ENERGY CORP.
(formerly Mainstream Minerals Corporation)

Consolidated Financial Statements

For the years ended November 30, 2021 and 2020

Expressed in Canadian Dollars

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Radio Fuels Energy Corp.

Opinion

We have audited the consolidated financial statements of **Radio Fuels Energy Corp.** ("the Company"), which comprise the consolidated statements of financial position as at November 30, 2021 and November 30, 2020 and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Radio Fuels Energy Corp.** as at November 30, 2021 and November 30, 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the company has not yet achieved profitable operations, has accumulated losses of $10,018,452 (2020 - $8,505,663) and expects to incur future losses in the development of its business, As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Radio Fuels Resources Transaction

We draw attention to Notes 13 and 14 in the financial statements, which discloses the company entering into and completing the transaction to acquire all of the issued and outstanding shares of Radio Fuels Resources Corp. and the concurrent private placement financing. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

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

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

Independent Auditor's Report

To the Shareholders of Radio Fuels Energy Corp. (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
February 22, 2022

Jones & O’Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

RADIO FUELS ENERGY CORP.
(formerly Mainstream Minerals Corporation)
Consolidated Statements of Financial Position
As at November 30, 2021 and 2020
(Expressed in Canadian Dollars)

		2021		2020
Assets				
Current assets				
Cash and cash equivalents	$	175,363	$	841
Restricted cash (Note 8)		25,482,792		-
Marketable securities (Note 4)		549,416		-
Other receivables (Note 5)		35,436		3,418
Prepaid expenses		333,151		683
Total assets	$	26,576,158	$	4,942

		2021		2020
Liabilities				
Current liabilities				
Trade payables	$	494,984	$	228,531
Other payables (Note 6)		10,000		27,000
Subscription receipts (Note 8)		25,462,307		-
Total liabilities		25,967,291		255,531
Equity				
Share capital (Note 8)		10,627,319		8,255,074
Deficit		(10,018,452)		(8,505,663)
Total equity		608,867		(250,589)
Total liabilities and equity	$	26,576,158	$	4,942

Going concern of operations (Note 1)
Radio Fuels Resources Corp. transaction (Note 13)
Subsequent events (Note 14)

Approved on behalf of the board:

Director *"Denis Laviolette"* (signed)

Director *"Jack Campbell"* (signed)

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

RADIO FUELS ENERGY CORP.
(formerly Mainstream Minerals Corporation)
Consolidated Statements of Operations and Comprehensive Loss
For the years ended November 30, 2021 and 2020
(Expressed in Canadian Dollars)

		2021		**2020**
Expenses:				
Consulting fees (Note 9)	$	105,000	$	120,000
Interest and bank charges		279		271
Office		254		1,820
Investor relations, regulatory and filing fees		86,569		23,848
Professional fees		152,881		97,753
Net loss before other income (expense)	$	(344,983)	$	(243,693)
Unrealized loss on marketable securities		(1,222,806)		-
Forgiveness of accounts payable (Note 9)		55,000		-
Net loss and comprehensive loss for the year	$	(1,512,789)	$	(243,693)
Basic and diluted loss per share (Note 8 (c))	$	(0.09)	$	(0.05)

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

RADIO FUELS ENERGY CORP.

(formerly Mainstream Minerals Corporation)

Consolidated Statements of Changes in Equity
For the years ended November 30, 2021 and 2020
(Expressed in Canadian Dollars)

	Number of common shares		Share capital		Accumulated Deficit		Total
Balance at December 1, 2020	10,342,042	$	8,255,074	$	(8,505,663)	$	(250,589)
Shares issued on private placement (Note 8(b))	1,764,773		600,023				600,023
Shares issued pursuant to Share Exchange Agreements (Note 8(b))	5,212,418		1,772,222		-		1,772,222
Comprehensive loss for the period	-		-		(1,512,789)		(1,512,789)
Balance at November 30, 2021	**17,319,233**	**$**	**10,627,319**	**$**	**(10,018,452)**	**$**	**608,867**

	Number of common shares		Share capital		Accumulated Deficit		Total
Balance at December 1, 2019	2,342,042	$	7,855,074	$	(8,261,970)	$	(406,896)
Shares issued for debt settlement (Note 8(b))	8,000,000		400,000		-		400,000
Comprehensive loss for the period	-		-		(243,693)		(243,693)
Balance at November 30, 2020	**10,342,042**	**$**	**8,255,074**	**$**	**(8,505,663)**	**$**	**(250,589)**

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

RADIO FUELS ENERGY CORP.
(formerly Mainstream Minerals Corporation)
Consolidated Statements of Cash Flows
For the years ended November 30, 2021 and 2020
(Expressed in Canadian Dollars)

		2021		2020
Cash flows from operating activities				
Comprehensive loss for the year	$	**(1,512,789)**	$	(243,693)
Adjustment for:				
Unrealized loss on marketable securities		**1,222,806**		-
Change in non-cash operating working capital				
Other receivables		**(32,018)**		434
Prepaid expenses		**(332,468)**		(683)
Trade payables		**266,453**		127,655
Other payables		**(17,000)**		108,750
		(405,016)		(7,537)
Financing activity				
Proceeds from share issuance, net of cost		**600,023**		-
Cost associated with subscription receipts issuance		**(20,485)**		-
		579,538		-
Increase (decrease) in cash and cash equivalents		**174,522**		(7,537)
Cash and cash equivalents, beginning of year		**841**		8,378
Cash and cash equivalents, end of year	$	**175,363**	$	841

Supplementary information:
The company did not pay any income taxes during the years ended November 30, 2021 and 2020.

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

1. Nature of operations and Going Concern

Radio Fuels Energy Corp (formerly Mainstream Minerals Corporation) (the "Company") was incorporated in Canada pursuant to *The Canada Business Corporations Act* on July 19, 2006. On November 24, 2021, the Company filed Certificate of Amendment to change its name. The mailing and office address of its executive office is: 401 – 217 Queen Street West, Toronto, ON M5V 0R2.

The Company is a mineral resource company in the development stage that is engaged in the acquisition of interests in, and in the exploration of, mineral resource properties.

As at November 30, 2021, the Company had a working capital of $608,867 (2020 – a working capital deficiency of $250,589), had not yet achieved profitable operations, has accumulated losses of $10,018,452 (2020 - $8,505,663) and expects to incur future losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interest in mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

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 exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

When stock market conditions become favourable for mineral exploration companies to raise capital, management plans to secure the necessary financing through a combination of issuance of new equity or debt instruments entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2022 operations. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the year. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements for the years ended November 30, 2021 and 2020 were reviewed by the Audit Committee and approved and authorized for issue by the company's Board of Directors on February 22, 2022.

3. Summary of significant accounting policies

(a) Basis of consolidation

These consolidated financial statements include the accounts of the company and its wholly-owned subsidiary 2362907 Ontario Inc. All significant inter-company transactions have been eliminated on consolidation.

(b) Exploration and evaluation expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Capitalized costs

Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated.

All costs associated with the acquisition, exploration and development of reserves are capitalized into cost centers from the time the company obtains legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive mines, production and gathering equipment and facilities, carrying costs directly related to unproven properties and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property and equipment as mineral exploration properties. If the company decides not to continue the exploration and evaluation activity, then the accumulated costs are expensed as impairment losses in the period in which the event occurs.

Impairment test

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

3. Summary of significant accounting policies (continued)

(b) Exploration and evaluation expenditures (continued)

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to property and equipment as mineral properties, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(c) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is included in profit or loss net of any reimbursement.

Environmental rehabilitation provision

The company recognizes the fair value of a liability for environmental rehabilitation in the period in which the company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The company has assessed each of its exploration and evaluation assets and determined that no material environmental rehabilitations exist.

(d) Loss per share

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants, had been exercised at the beginning of the reporting period of issue and that the funds obtained therefrom were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(e) Revenue recognition

Revenue from sales of precious metals will be recognized when the significant risks and rewards of ownership are transferred to the buyer, which is when legal title passes to the buyer, and when collectability is reasonably assured.

Interest income is recognized as accrued.

(f) Cash and cash equivalents

Cash and cash equivalents consists of cash held in financial institution and cash held in trust with lawyer.

3. Summary of significant accounting policies (continued)

(g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(i) Current income tax

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

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

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.

(h) Share-based payments

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to the stock option plan is limited to 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under their stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by the Black-Scholes option-pricing model.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to retained earnings or deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

3. Summary of significant accounting policies (continued)

(i) Financial assets

The company classifies its financial assets depending on the business purpose for which the asset was acquired and the contractual cash flow characteristics of the financial asset. The company's accounting policy is as follows:

(j) Financial Assets Recorded at Amortized Cost

This category is comprised of cash and cash equivalents and restricted cash, and other receivable. The business objective is to hold these financial assets in order to collect contractual cash flows, solely of payments of principal and interest. These financial assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less any provision for impairment.

(ii) Impairment of financial assets

Impairment provisions are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit loss model.

(iii) Financial Assets at Fair Value Through Profit and Loss (“FVTPL”)

The marketable securities are classified as FVTPL and are recorded at fair value using the quoted market price as at the end of the reporting period.

(j) Financial liabilities

The company classifies its financial liabilities depending on the business purpose for which the liability was incurred and the contractual cash flow characteristics of the financial liability. The company's accounting policy is as follows:

(i) Financial Liabilities Recorded at Amortized Cost

This category is comprised of trade payables and other payables and subscription receipts. These financial liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. These financial liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that interest expense is recognized over the period to repayment at a constant rate on the balance of the liability carried in the statement of financial position.

(k) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of exploration and evaluation assets, determination of valuation allowances for deferred income tax liabilities and assumptions used in determining the fair value of non-cash share-based payments. Actual amounts may differ from such estimates.

3. Summary of significant accounting policies (continued)

(k) Use of estimates and judgments (continued)

Significant areas requiring the use of management estimates are as follows:

Valuation of exploration and evaluation assets

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future petroleum and natural gas prices, future capital expenditures and environmental and regulatory restrictions. The decision to transfer assets from exploration and evaluation assets to machinery and equipment is based on estimated proven and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

Deferred income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proven and probable reserves, production rates, future precious metals and mineral prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and further interpretations by taxation authorities. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Share-based payments
The amounts recorded relating to the fair value of stock options and warrants issued are based on estimates of the future volatility of the company's share price, market price of the company's shares at grant date, expected lives.

4. Marketable securities

On February 3, 2021, the Company issued 4,411,765 common shares pursuant to the Share Exchange Agreement (the "Palisades Agreement") with Palisade Goldcorp Ltd. in exchange for 2,846,084 common shares of Tonogold Resources Inc. ("Tonogold Shares") at a deemed price of US$0.40 each share, being the fair market value of Tonogold Shares on the date the parties entered into the Palisades Agreement on September 17, 2020.

On March 25, 2021, the Company entered into a non-arm's length share purchase agreement with Cejay Kim dated January 15, 2021 (the "Kim Share Purchase Agreement") and an arm's length share purchase agreement with Michael Blady dated February 17, 2021 (the "Blady Share Purchase Agreement") (the Blady Share Purchase Agreement and the Kim Share Purchase Agreement Pursuant to the Kim Share Purchase Agreement, the Company issued 359,477 common shares in the capital of the Company to Mr. Kim at a price of $0.34 per common share in exchange for 1,111,112 common shares in the capital of a mining issuer that is listed on the TSX Venture Exchange that were beneficially owned and controlled by Mr. Kim at a fair market value of the common shares on the date the parties entered into the Kim Share Purchase Agreement. Pursuant to the Blady Share Purchase Agreement, the Company issued 441,176 Common Shares of the Company to Mr. Blady at a price of $0.34 per common share in exchange for an aggregate of 1,064,351 common shares in the capital of certain mining issuers that are listed on the Toronto Stock Exchange, TSX Venture Exchange and Canadian Securities Exchange respectively, that were beneficially owned and controlled by Mr. Blady at a fair market value of the common shares on the date the parties entered into the Blady Share Purchase Agreement. In addition, Mr. Blady acquired 441,176 common shares pursuant to private share purchase transactions.

The Company recorded unrealized loss on the revaluation of these marketable securities of $1,222,806 during the year ended November 30, 2021 (2020 - $nil).

(Expressed in Canadian dollars)

5. Other receivables

The Company's other receivables at November 30, 2021 and 2020 are comprised of the following:

	2021	2020
Goods and services tax recoverable	$ 25,436	$ 3,418
Other receivables	10,000	-
Total	**$ 35,436**	$ 3,418

6. Other payables

The company's other payables at November 30, 2021 and 2020 are comprised of the following:

	2021	2020
Accrued liabilities	$ 10,000	$ 27,000

7. Income taxes

a. Canadian exploration and development expenditures:

As at November 30, 2021, the Company has $827,442 (2020 - $827,442) of unused Canadian exploration and development expenses available to offset future taxable income of the company. The tax benefits of these expenses carry forward indefinitely.

b. Losses:

The company has non-capital losses available for carryforward to reduce future years' taxable income totaling $5,628,000, which expire as follows:

2027	$ 572,000
2028	716,000
2029	752,000
2030	665,000
2031	557,000
2032	660,000
2033	252,000
2034	94,000
2035	182,000
2036	129,000
2037	126,000
2038	235,000
2039	166,000
2040	228,000
2041	294,000
Total non-capital losses available for carryforward	$ 5,628,000

The Company has not recorded the potential income tax benefit that may be derived from the tax losses due to the uncertainty that the benefits will be realized.

(Expressed in Canadian dollars)

7. Income taxes (continued)

(c) The Company's income tax recovery (expense) differs from the amounts computed by applying the basic current rates to income (loss) for the year before taxes, as shown in the following table:

	2021	2020
Statutory rate at 26.5% applied to loss for the year before income taxes	$ 400,889	$ 64,579
Increase (reduction) in taxes resulting from:		
Temporary and permanent differences	(322,915)	(4,276)
Tax loss not benefited	(77,974)	(60,303)
Income tax recovery	$ -	$ -

The components of the company's net deferred income tax asset (liability) at November 30, 2021 and 2020 are as follows:

	2021	2020
Deferred income tax assets:		
Operating loss carryforwards	$ 1,491,000	$ 1,428,000
Marketable securities	162,000	-
Other deductible capital items	20,000	-
Exploration and evaluation assets	219,000	219,000
	1,892,000	1,647,000
Valuation allowance	(1,892,000)	(1,647,000)
Net deferred income tax (liability)	$ -	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the future tax benefits will be realized. The realization of deferred tax assets is dependent upon the Company having future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company provides a valuation allowance equal to the future tax assets as it is not presently more likely than not that they will be realized.

8. Share Capital

a. Authorized

Authorized share capital consists of (i) an unlimited number of common shares and (ii) unlimited number of special shares, issuable in series.

(i) Common Shares

Each holder of common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held by such holder. Each holder of common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held by such holder. In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of common shares shall be entitled, subject to the rights of holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

(ii) Special Shares

The special shares may from time to time be issued in one or more series and subject to the following provisions, and subject to the sending of articles of amendment in prescribed form, and the endorsement thereon of a certificate of amendment in respect thereof, the directors may fix from time to time before such issue the number of shares that is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of special shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions. The special shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, rank on a parity with the special shares of every other series and be entitled to preference over the common shares and over any other shares of the Company ranking junior to the special shares. The special shares of any series may also be given such other preferences over the special shares and any other shares of the Company ranking junior to the special shares as may be fixed as provided herein. If any cumulative dividends or amounts payable on the return of capital in respect of a series of special shares are not paid in full, all series of special shares shall participate rateably in respect of such dividends and return of capital. The special shares of any series may be made convertible into special shares of any other series or common shares at such rate and upon such basis as the directors in their discretion may determine. Unless the directors otherwise determine in the articles of amendment designating a series, the holder of each share of a series of special shares shall be entitled to one vote at a meeting of shareholders.

(Expressed in Canadian dollars)

8. Share Capital (continued)

b. Changes in issued common shares during the years ended November 30, 2021 and 2020 are as follows:

	Number of common shares	Amount
Balance, November 30, 2019	2,342,042	$ 7,855,074
Shares issued on debt settlement	8,000,000	400,000
Balance, November 30, 2020	10,342,042	$ 8,255,074
Shares issued on private placement	1,764,773	600,023
Shares issued pursuant to Share Exchange Agreements	5,212,418	1,772,222
Balance, November 30, 2021	17,319,233	$ 10,627,319

On August 14, 2020, the Company settled an aggregate of $400,000 of indebtedness through the issuance of an aggregate of 8,000,000 common shares at a price of $0.05 per common share. Included in the debt settlement was $200,000 of payables owing to related parties.

On February 3, 2021, the Company closed a non-brokered private placement through the issuance of 1,764,773 common shares for aggregate gross proceeds of $600,023.

On February 3, 2021, the Company issued 4,411,765 common shares under the Share Exchange Agreement at a price of $0.34 per common share.

On March 22, 2021, the Company issued 800,653 common shares under the Share Exchange Agreements at $0.34 each common share.

Subscription receipts

In connection with the Radio Fuels Resources Corp. Transaction (Note 14), the Company completed a non-brokered private placement of subscription receipts (each, a “Subscription Receipt”) on October 5, 2021 pursuant to which the Company issued an aggregate of 63,707,024 Subscription Receipts for gross proceeds of $25,482,792 (the “Offering”). The gross proceeds of the Offering (the “Escrowed Proceeds”) were held in escrow on behalf of the subscribers for the Subscription Receipts by Capital Transfer Agency ULC (the “Escrow Agent”), pursuant to the terms of a subscription receipt agreement (the “Subscription Receipt Agreement”) entered into on October 4, 2021 among the Company and the Escrow Agent. As the terms of the conversion of the subscription receipts into common shares had not been met at year end the funds received have been shown as a liability.

c. Loss per share

The calculation of basic and diluted loss per share, for the years ended November 30, 2021 and 2020 is based on the following losses and number of shares:

	2021	2020
Net loss and comprehensive loss for the year	$ (1,512,789)	$ (243,693)
Weighted average number of shares	15,973,621	4,702,697

(Expressed in Canadian dollars)

9. Related party transactions

(a) Key management personnel compensation

The company did not pay employment based remuneration to directors, officers or other members of key management for the years ended November 30, 2021 and 2020. However, the Company did pay contract based remuneration to directors, officers and other members of key management as disclosed in Note 10(b).

(b) Other related party transactions

Included in these consolidated financial statements are the following related party transactions, which have been determined by negotiation amongst the related parties. These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties.

	2021	2020
Arvin Ramos, an officer, for consulting services relating to a position of office for the Company	$ 60,000	$ 60,000
Jessica Whitton, an officer, for consulting services relating to a position of office for the Company	35,000	45,000
Daniel Nauth, an officer, for consulting services relating to a position of office for the Company	10,000	-
Lisa McCormack, former officer for consulting services relating to a position of officer for the Company	-	15,000

(c) Related party balances

Included in trade payables and other payables at November 30, 2021 is $79,100 (2020 – $20,000) due to related parties. Such amounts are due on demand, non-interest bearing and are unsecured. The Company recorded a gain on forgiveness of accounts payable of $55,000 (2020 - $nil) from certain related parties.

10. Financial instruments

Fair value
As at November 30, 2021, the carrying and fair value amounts of the Company's financial assets at amortized cost and financial liabilities at amortized cost are approximately equivalent due to the relatively short periods to maturity of these instruments

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value hierarchy
A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value.

Level 1 items are quoted prices in active markets for identical assets or liabilities.
Level 2 items are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets or quoted prices that are derived principally from or corroborated by observable market.
Level 3 inputs are unobservable and supported by little or no market activity.

10. Financial instruments (continued)

Fair value hierarchy (continued)

The fair value hierarchy gives the highest priority to Level 1 items and the lowest priority to Level 3 items. Marketable securities are in Level 1 of fair value hierarchy with a fair value of $549,416 and a cost of $1,772,222.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

(i) Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency. Therefore, the Company is not exposed to currency risk.

(ii) Price risk

The Company is exposed to price risk with respect to commodity prices. As the company is not a producing entity, this risk does not currently affect earnings; however, the risk could affect the completion of future equity transactions. The company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. The company is exposed to credit risk on its financial assets. Cash in the amount of $4,206 is held with an established Canadian financial institution; cash held in trust with lawyer of $171,157; restricted cash held with the escrow agent in the amount of $25,482,792; and the Company's other receivables are from Canadian government entities – all of which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated financial statements in the amount of $26,243,007 (2020 - $4,259) represents the maximum exposure to credit risk at the reporting date.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at November 30, 2021, the company has a working capital in the amount of $608,867 (2020 - deficiency of $250,589).

(v) Interest rate risk

The company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

(vi) Market Risk

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in market places. The Company is exposed to market risk in trading its investment and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company marks its investments to market in accordance with accounting policies at each reporting period. This process could result in significant write-downs of the Company's investment over one or more reporting periods, particularly during periods of declining resource markets.

10. Financial instruments (continued)

(vi) Market Risk (continued)

The Company is exposed to market risk for its investment in marketable securities in relation to the changes in market price for fair value of the securities.

Sensitivity analysis
As at year end the Company has cash and cash equivalents subject to interest rate risk of $175,363 (2020 - $841). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by approximately $1,753 (2020 - $8).

Additionally, the Company has marketable securities subject to market risk of $549,416 (2020 - $nil). A 10% change in closing price of its marketable securities would result in reported income of $54,942 (2020 - $nil).

11. Capital management

As the company is in the exploration stage, its principal source of capital is from the issuance of common shares. The company's capital management objective is to obtain sufficient capital to maintain its activities for the benefit of its stakeholders. To meet the objectives, management monitors the company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific exploration properties on a case by case basis. The company is not subject to externally imposed capital requirements or restrictions. Management is of the opinion that the amounts and changes in the company's capital is readily determinable from information included in these consolidated financial statements.

12. Proposed transaction

On June 19, 2020, the Company announced that it had entered into a binding letter of intent (the "LOI") with Plutus Super Flow-Through Limited Partnership ("Plutus") whereby the Company will acquire: (i) 100% of the shares of, and (ii) the rights to acquire share of, "principal-business corporations" (as defined in subsection 66(15) of the Income Tax Act (Canada)) owned by Plutus (the “Portfolio”), subject to the terms and conditions of the LOI. On September 17, 2020, the LOI has been amended to provide that the consideration to be paid by the Company in exchange for the Portfolio will consist of Class A retractable shares in the capital of the Company (the “Consideration Shares”) and the value of each Consideration Share issued in connection with the Proposed Transaction shall be equal to the fair market value of the Portfolio determined as of the closing date of the Proposed Transaction (the “Acquisition Date”), in accordance with the price per share equal to the volume weighted average trading price of the common shares (“Common Shares”) on such stock exchange on which the Common Shares of the Company may be listed (the “Exchange”) for the 30 trading days immediately prior to the Acquisition Date (the “Trading Price”) per Common Share is: (a) equal to or lesser than the class net asset value per share of the Common Shares, each Consideration Share shall have a value equal to the class net asset value per share of the Common Shares; (b) greater than the class net asset value per share of the Common Shares and equal to or lesser than the product of the class net asset value per share of the Common Shares multiplied by 1.3, each Consideration Share shall have a value equal to the Trading Price per Common Share; and (c) greater than the product of the class net asset value per share of the Common Shares multiplied by 1.3, each Consideration Share shall have a value equal to the product of the class net asset value per share of the Common Shares multiplied by 1.3. On the first business day after the date that is four months from the Acquisition Date, the Company shall complete a reorganization of capital of the Company (the “Reorganization”) and, in connection therewith, on the effective date of the Reorganization, each Consideration Share shall be automatically converted by the Purchaser for no consideration into Common Shares on a 1:1 exchange ratio, or such other exchange ratio as is agreed upon by the Company and Plutus, each acting reasonably.

12. Proposed transaction (continued)

On June 24, 2021, the proposed transaction with Plutus was terminated. Class A retractable shares have been eliminated in the Articles of Amendment filed on November 24, 2021.

13. Radio Fuels Resources Corp. Transaction

The Company announced that it has entered into a share purchase agreement dated September 14, 2021 (the "Share Purchase Agreement"), with Radio Fuels Resources Corp. ("Radio Fuels Resources") and the shareholders of Radio Fuels Resources (collectively, the "Vendors"), pursuant to which the Company has agreed to acquire all of the issued and outstanding shares of Radio Fuels Resources (the "Transaction"). Radio Fuels Resources is a private company formed under the laws of Ontario, whose sole asset is a 100% interest in certain mineral claims and leases located in the Mining District of Sault St. Marie, Ontario (the "Property").

As consideration for the Transaction, the Company will issue an aggregate of 58,823,529 common shares in the capital of the Company (the "**Consideration Shares**") at a deemed price of $0.34 per Consideration Share to the Vendors. All securities issued pursuant to the Transaction will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

Property
The Property is located approximately 11 km east of the City of Elliot Lake, Ontario, and is 100% owned by Radio Fuels Resources, a private Canadian mining company involved in acquisition, exploration, and development of uranium deposits, which acquired the Property in June of 2017. The Property consists of 38 mining claims totally 371 claim units and three mining leases covering approximately 7,822 ha in the Sault St. Marie Mining Division. The Elliot Lake camp has historically produced more than 270 million pounds of U3O8 from vast, strata-bound deposits.

The Property was formerly held by Pele Mountain Resources, which commissioned a Preliminary Economic Assessment ("PEA") and associated National Instrument 43-101 – Standards of Disclosure for Mineral Projects Resource Estimate which was completed by Roscoe Postle Associates Inc. in 2012. The PEA indicates that positive economic results can be obtained for a portion of the Property, in a scenario that includes room and pillar mining, and uranium and rare earth recovery by conventional milling. The Base Case LOM plan for the Property indicates that 34.6 Mt, at average grades of 0.040% U3O8 and 1,455 g/t TREO, will be mined over 11 years at a nominal production rate of 9,000 tpd. Uranium production is projected to total 27.5 million pounds, and REO production is projected to total 44.1 million kilograms.

13. Radio Fuels Resources Corp. Transaction (continued)

Concurrent Financing

In connection with the Proposed Transaction, the Company completed, on October 5, 2021, a non-brokered private placement of 63,707,024 subscription receipts (each, a "**Subscription Receipt**") at a price of $0.40 (the "**Issuance Price**") per Subscription Receipt for aggregate gross proceeds of $25,482,792 (the "**Offering**"). The gross proceeds of the Offering (the "**Escrowed Proceeds**") will be held in escrow on behalf of the subscribers of the Subscription Receipts by Capital Transfer Agency ULC (the "**Escrow Agent**"), pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated October 4, 2021 (the "**Offering Closing Date**") among the Company and the Escrow Agent. Each Subscription Receipt will be automatically converted, without payment of any additional consideration and without further action on the part of the holder thereof, for one unit (a "**Unit**") of the Company upon satisfaction or waiver of the escrow release conditions ("**Escrow Release Conditions**") set out below and in the Subscription Receipt Agreement and prior to a Termination Event (as defined below), subject to adjustment in certain events. The Units to be issued upon conversion of the Subscription Receipts will be comprised of one common share of the Company (a "**Unit Share**") and one-half of one whole common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable by the holder thereof for one common share of the Company (each, a "**Warrant Share**") at an exercise price of $0.50 per Warrant Share for a period of five (5) years following the date of issuance, subject to adjustments in certain events.

The Escrow Release Conditions are as follows:

(a) The receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering and the Transaction;

(b) The completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the definitive agreements relating to the Transaction; and

(c) The Company having delivered a notice to the Escrow Agent, confirming that the conditions set forth in (a) and (b) above have been met or waived.

In the event that: (i) the Escrow Agent does not receive the release notice contemplated by the Subscription Receipt Agreement prior to 5:00 p.m. (Toronto time) on that date which is 180 days after the Offering Closing Date (the **"Escrow Release Deadline**"); or (ii) prior to the Escrow Release Deadline, the Company announces to the public that it does not intend to proceed with the Transaction and/or satisfy the Escrow Release Conditions (each, a "**Termination Event**"), the Escrowed Proceeds (plus any interest accrued thereon) will be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Issue Price paid to the holders of the Subscription Receipts, the Company will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

The net proceeds of the Offering will be used for general corporate purposes. The Subscription Receipts issued pursuant to the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

13. Radio Fuels Resources Corp. Transaction (continued)

Concurrent Financing (continued)

In connection with the Offering and upon conversion of the Subscription Receipts, the Company will pay certain eligible persons (the "**Finders**") a cash commission of $392,090, equal to 5% of the gross proceeds of the Offering delivered by the Finders and issued 865,850 broker warrants ("**Broker Warrants**"), equal to 5% of the number of Subscription Receipts delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of $0.40 per Common Share for a period of one (1) year from the date of issuance. In addition, the Company paid certain eligible persons advisory fees in the aggregate of $460,050 and were issued an aggregate of 1,133,857 Broker Warrants.

In addition, in connection with the Offering the Company engaged Canaccord Genuity Corp. ("**Canaccord**") to act as its financial advisor for the Offering. As consideration for their services, the Company paid Canaccord an advisory fee of $40,000 satisfied through the issuance of 100,000 Subscription Receipts.

The securities that will be issued in connection with the Offering will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

14. Subsequent events

On December 15, 2021, upon satisfaction of certain escrow release conditions, at which time 63,807,024 Subscription Receipts were automatically converted into 63,807,024 units (each a "Unit") of the Company, and the Escrowed Proceeds were released to the Company in the amount of $25,495,570. Each Unit is comprised of one common share of the Company (each, a "Unit Share") and one-half common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable by the holder thereof for one common share of the Company (each, a "Warrant Share") until December 15, 2026 at an exercise price of $0.50 per Warrant Share, subject to adjustments in certain events.

On December 14, 2021, the Company entered into an agreement to acquire an additional mining property in the District of Algoma, Elliot Lake, Ontario. As consideration for the Acquisition, the Company issued 2,000,000 common shares.

On December 16, 2021, the Company completed the Radio Fuels Resources Corp. Transaction (see Note 14), whereby the Company issued 58,823,529 common shares of the Company to the shareholders of Radio Fuels Resources (the Consideration Shares) at deemed price of $0.34 per Consideration Share.

On December 21, 2021, the common shares of Company commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "CAKE". On February 4, 2022, the Company's warrants started trading on the CSE under the symbol "CAKE.WT".