CARLYLE
COMMODITIES

(formerly Delrey Metals Corp.)

Condensed Consolidated Interim Financial Statements (Unaudited)
Expressed in Canadian Dollars, unless otherwise noted

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

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NOTICE TO READER

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
Condensed Consolidated Interim Statements of Financial Position (Unaudited)
As of November 30, 2021 and February 28, 2021
Expressed in Canadian Dollars

	Notes		November 30, 2021		February 28, 2021
ASSETS					
Current assets					
Cash		$	294,490	$	161,161
Receivables			22,588		29,516
Loans receivable	9		-		205,482
Prepaid expenses			61,990		138,773
Total current assets		$	379,068	$	534,932
Non-current assets					
Restricted cash		$	40,000	$	-
Equipment	4		4,030		4,883
Exploration and evaluation advance	5		18,005		141,327
Exploration and evaluation assets	5		7,904,294		6,404,937
Total non-current assets			7,966,329		6,551,147
Total assets		**$**	**8,345,397**	**$**	**7,086,079**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities		$	226,711	$	195,543
Total liabilities		$	226,711	$	195,543
SHAREHOLDERS' EQUITY					
Share capital	6	$	15,571,630	$	13,139,486
Reserves	7		2,282,081		2,314,506
Accumulated deficit			(9,735,025)		(8,563,456)
Total shareholders' equity		$	8,118,686	$	6,890,536
Total liabilities and shareholders' equity		**$**	**8,345,397**	**$**	**7,086,079**

Events after reporting period (Note 12)
Approved on behalf of the Board of Directors on January 31, 2022

"Morgan Good"
Director

"Leighton Bocking"
Director

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)
For the Three and Nine-Month Periods Ended November 30, 2021 and 2020
Expressed in Canadian Dollars except number of shares

	Notes	Three Months Ended November 30, 2021	Three Months Ended November 30, 2020	Nine Months Ended November 30, 2021	Nine Months Ended November 30, 2020
General and administrative expenses					
Bank and interest charges		$ 924	$ 387	$ 2,967	$ 2,810
Consulting fees	9	97,500	64,660	527,901	248,252
Depreciation	4	266	423	853	1,270
Investor relations		5,226	17,160	170,015	187,010
Management fees	9	60,557	60,375	185,997	159,375
Office costs		27,477	12,836	82,918	24,167
Professional fees		40,558	22,476	66,398	56,251
Share-based payments	7,9	-	-	50,605	177,299
Transfer agent and filing fees		4,518	3,922	20,452	23,467
Travel and entertainment		12,647	881	33,511	12,508
Total general and administrative expenses		$ (249,673)	$ (183,120)	$ (1,141,617)	$ (892,409)
Other income (expenses)					
Loss on settlement of trade payables	6	$ (7,000)	$ -	$ (45,792)	$ (27,969)
Write-off of exploration and evaluation assets		-	(1,387,411)	-	(1,387,411)
Other income	6,8	-	99,040	15,840	99,040
Loss and comprehensive loss for the period		$ (256,673)	$ (1,471,491)	$ (1,171,569)	$ (2,208,749)
Basic and diluted loss per common share		**$ (0.00)**	**$ (0.06)**	**$ (0.02)**	**$ (0.11)**
Weighted average number of common shares outstanding – basic and diluted		**66,744,674**	**24,888,175**	**59,915,773**	**19,483,868**

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)
For the Nine-Month Period Ended November 30, 2021 and 2020
Expressed in Canadian Dollars except number of shares

	Number of shares		Share capital		Subscriptions received in advance		Reserves		Accumulated deficit		Total shareholders' equity
Balance – February 29, 2020	5,075,225	$	5,491,724	$	72,750	$	590,660	$	(5,045,885)	$	1,109,249
Shares issued in private placements	17,065,000		1,558,425		(72,750)		-		-		1,485,675
Stock options exercised	375,000		97,805		-		(41,555)		-		56,250
Shares issued for exploration and evaluation assets	1,600,000		469,000		-		-		-		469,000
Flow-through premium liability recognized	-		(99,040)		-		-		-		(99,040)
Share issue costs	-		(158,650)		-		-		-		(158,650)
Share issue costs – finders' warrants	-		(13,736)		-		13,736		-		-
Shares issued to settle trade payables	932,291		139,844		-		-		-		139,844
Share-based payments	-		-		-		177,299		-		177,299
Loss and comprehensive loss for the period	-		-		-		-		(2,208,749)		(2,208,749)
Balance – November 30, 2020	**25,047,516**	**$**	**7,485,372**	**$**	**-**	**$**	**740,140**	**$**	**(7,254,634)**	**$**	**970,878**
Balance – February 28, 2021	**48,900,509**	**$**	**13,139,486**	**$**	**-**	**$**	**2,314,506**	**$**	**(8,563,456)**	**$**	**6,890,536**
Stock options exercised	805,000		181,855		-		(83,030)		-		98,825
Shares issued for exploration and evaluation assets upon exercise of special warrants	500,000		150,000		-		-		-		150,000
Shares issued for acquisition of OWL Lake Resources Ltd.	14,649,982		1,904,498		-		-		-		1,904,498
Shares issued to settle trade payables	2,091,445		195,791		-		-		-		195,791
Share-based payments	-		-		-		50,605		-		50,605
Loss and comprehensive loss for the period	-		-		-		-		(1,171,569)		(1,171,569)
Balance – November 30, 2021	**66,946,936**	**$**	**15,571,630**	**$**	**-**	**$**	**2,282,081**	**$**	**(9,735,025)**	**$**	**8,118,686**

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

CARLYLE COMMODITIES CORP. (formerly Delrey Metals Corp.)
Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
For the Nine-Month Period Ended November 30, 2021 and 2020
Expressed in Canadian Dollars

	Notes	Nine-Month Period Ended November 30, 2021	2020
OPERATING ACTIVITIES			
Loss for the period		**$ (1,171,569)**	**$ (2,208,749)**
Non-cash items:			
Depreciation	4	853	1,270
Loss on settlement of trade payables		45,792	27,969
Flow-through premium income		-	(99,040)
Impairment of exploration and evaluation assets		-	1,387,411
Share-based payments	7	50,605	177,299
Changes in non-cash working capital items:			
Receivables		6,928	15,658
Prepaid expenses		76,783	(101,028)
Trade payables and accrued liabilities		195,325	27,052
Net cash used in operating activities		**$ (795,283)**	**$ (772,158)**
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets		$ (139,697)	$ (771,146)
Advances toward exploration and evaluation expenditures		-	(74,747)
Loans issued		-	-
Cash received on acquisition of OWL Lake Resources Ltd.		872,494	-
Cash deposit with the Ministry of Mines		(40,000)	-
Net cash used in investing activities		**$ 692,797**	**$ (845,893)**
FINANCING ACTIVITIES			
Proceeds from private placements	6	$ -	$ 1,485,675
Share issue costs	6	-	(158,650)
Proceeds from stock options exercised	7	98,825	56,250
Proceeds from loans	9	-	300,000
Repayment of loans	9	-	(31,000)
Advances (repayment) to related parties	9	136,990	-
Net cash provided by financing activities		**$ 235,815**	**$ 1,652,275**
Increase (decrease) in cash		$ 133,329	$ 34,224
Cash, beginning of period		161,161	55,973
Cash, end of period		**$ 294,490**	**$ 90,197**

Supplemental cash flow information

For the nine-month period ended:		November 30, 2021	November 30, 2020
Settlement of trade payables through issuance of shares	6	$ 195,791	$ 111,875
Shares issued for exploration and evaluation assets	6	150,000	469,000
Shares issued on acquisition of OWL Lake Resources Corp.	5	1,904,498	-
Share issue costs included in trade payables		-	26,270
Exploration and evaluation assets included in trade payables		-	229,828
Finder's warrants		-	13,736

Expressed in Canadian Dollars except otherwise noted

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Carlyle Commodities Corp, ("CCC", or the "Company"), formerly Delrey Metals Corp, was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 5803 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 620 – 1111 Melville Street, Vancouver, BC. The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") on October 24, 2018, under the symbol "DLRY". On February 18, 2020, the Company changed its name to Carlyle Commodities Corp and continued trading under the symbol "CCC". The Company's consolidated financial statements include the financial statements of the following subsidiaries:

Company	Place of Incorporation	Effective Interest
BC Vanadium Corp. ("**BCVC**")	British Columbia	100%
WEM Western Energy Metals Ltd. ("**WEM**")	British Columbia	100%
ISAAC Mining Corp. ("**IMC**")	British Columbia	100%
OWL Lake Resources Ltd. ("**OWL**")	Ontario	100%

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These condensed consolidated interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its investments at amounts favorable to the Company. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

On June 14, 2021, the Company entered into an amalgamation agreement (the "Agreement") with OWL Lake Resources Ltd. ("OWL"), an arm's length private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company, pursuant to which the Company acquired (the "Transaction") all of the issued and outstanding securities of OWL by way of a "three-cornered" amalgamation.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of condensed consolidated interim financial statements, including IAS 34, *Interim Financial Reporting* and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, equity-classified share-based payment arrangements are measured at fair value at grant date pursuant to IFRS 2, *Share-based Payment*. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The COVID-19 pandemic continues to cause significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. While the Company has experienced the impact of the COVID-19 outbreak on its operations, it had continued to operate during the current pandemic. The Company will continue to monitor developments of the pandemic and continuously assess its potential further impact on its operations to prevent any disruptions. The Company has put in place multiple contingency plans to ensure general operations can be maintained with minimal disruption throughout the crisis. In the event of prolonged continuation of the pandemic, it is not clear what the potential impact may be on the Company's business, financial position and financial performance.

Expressed in Canadian Dollars except otherwise noted

These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and therefore should be read in conjunction with the Company's most recent annual consolidated financial statements as at and for the year ended February 28, 2021. The effects of the adoption of new and amended IFRS pronouncements have been disclosed in the notes to these condensed consolidated interim financial statements.

Use of Estimates and Critical Judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

The Company applied judgment to determine whether the three-cornered amalgamation (refer to Note 5 for details) should be classified as an asset acquisition or business combination. The assessment was based on the definition of a business in accordance with IFRS 3.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its controlled and wholly owned subsidiaries BCVC, WEM, IMC and OWL. Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances and transactions have been eliminated on consolidation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied to the Company's audited annual consolidated financial statements for the year ended February 28, 2021.

NOTE 4 – EQUIPMENT

COST		Computer equipment		Furniture and fixtures		Total
Balance – February 28, 2021 and November 30, 2021	**$**	**6,044**	**$**	**3,783**	**$**	**9,827**

ACCUMULATED DEPRECIATION		Computer equipment		Furniture and fixtures		Total
Balance – February 28, 2021	$	3,398	$	1,546	$	4,944
Depreciation		539		314		853
Balance – November 30, 2021	**$**	**3,937**	**$**	**1,860**	**$**	**5,797**

NET CARRYING VALUE		Computer equipment		Furniture and fixtures		Total
Balance – February 28, 2021	$	2,646	$	2,237	$	4,883
Balance – November 30, 2021	**$**	**2,107**	**$**	**1,923**	**$**	**4,030**

Expressed in Canadian Dollars except otherwise noted

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into an agreement to have the right to earn a 100% interest in the Sunset Property consisting of four mineral claims.

The Company will earn a 100% interest in the Sunset Property subject to a 2% Net Smelter Royalty, by completing $1,000,000 in exploration, making cash payments of $15,000 (paid) and issuing 95,238 common shares (issued during the year ended February 28, 2019). If there is a shortfall in exploration in any one year, the agreement can be maintained in good standings by making a payment in the equivalent cash, of the shortfall. On June 25, 2018, the $100,000 in exploration expenditures to incur by June 30, 2018 was extended to September 30, 2018.

On July 30, 2021, the Company entered into an amending agreement. Pursuant to the terms of the amending agreement, the Company has extended the second and third scheduled payments of exploration expenditures from December 31, 2020 and December 31, 2021 to December 31, 2021 (as to $200,000) and December 31, 2022 (as to $700,000) respectively.

The Company will incur $1,000,000 of exploration as follows:

By September 30, 2018	$	100,000	*(completed during the year ended February 28, 2019)*
By December 31, 2021		200,000	
By December 31, 2022		700,000	
	$	1,000,000	

Excess expenditures from one year can be applied to the next period.

BCVC acquisition, British Columbia

On December 6, 2018, pursuant to the terms of an agreement, the Company acquired 100% of issued and outstanding common shares of BCVC in exchange for 785,714 common shares and agreed to pay $10,000 of BCVC's existing payables. The acquisition of BCVC was accounted for as an asset acquisition. BCVC owns a 100% interest in the Star and the Porcher vanadium properties, located in northwestern British Columbia. The Company determined that of the 785,714 common shares issued, 500,000 common shares with a fair value of $1,260,000 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 285,714 common shares issued were considered as the purchase price consideration of BCVC.

During the year ended February 28, 2021, the Company has agreed to dispose of the properties in settlement of $12,500 in debt. Accordingly, for the year ended February 28, 2021, the Company has written the value of the properties down to $nil and recognized a write-off of $828,243 to statement of loss and comprehensive loss.

WEM acquisition, British Columbia

On December 12, 2018, pursuant to the terms of an agreement the Company acquired 100% of issued and outstanding common shares of WEM in exchange for 607,143 common shares and agreed to pay $10,000 in WEM's existing payables. The acquisition of WEM was accounted for as an asset acquisition. WEM owns a 100% interest in the Blackie and the Peneece vanadium properties, located in northwestern British Columbia. The Company determined that of the 607,143 common shares issued, 321,429 common shares with a fair value of $551,250 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 285,714 common shares issued were considered as the purchase price consideration of WEM.

During the year ended February 28, 2021, the Company has agreed to dispose of the properties in settlement of $12,500 in debt. Accordingly, for the year ended February 28, 2021, the Company has written the value of the properties down to $Nil and recognized a write-off of $584,168 to statement of loss and comprehensive loss.

Cecilia Gold-Silver Property, State of Sonora

During the year ended February 28, 2021, the Company entered into an option agreement (the "Cecilia Agreement") with Riverside Resources Inc. ("Riverside"), a TSX Venture Exchange ("TSXV") listed issuer trading under the symbol "RRI", to purchase an undivided 100% interest in and to Cecilia Gold-Silver Project (the "Property") located in the State of Sonora, Mexico. Under the terms of the Cecilia Agreement, the Company has the option to acquire a 100% interest in the Property by:

Expressed in Canadian Dollars except otherwise noted

Date	Cash	Shares	Exploration Expenditures
Upon execution of the LOI	$ 10,000 *(paid)*	-	$ -
Upon closing	40,000 *(paid)*	1,500,000 *(issued)*	-
12 months from Closing	50,000 *(paid)*	-	750,000
24 months from Closing	50,000	-	500,000
36 months from Closing	50,000	-	1,250,000
	$ 200,000	1,500,000	$ 2,500,000

Upon completion of the option payments, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the Property, subject to a 2.5% net smelter return royalty ("NSR Royalty") to be granted to Riverside. During the year ended February 28, 2021, the Company advanced $750,000 to Riverside as operator of the project, of which $608,991 had been expended on exploration and evaluation activities as at February 28, 2021 with $141,327 remaining in exploration and evaluation advance. During the nine-month period ended November 30, 2021, the Company incurred additional $123,322 on exploration and evaluation activities.

On closing, the Company issued 3,000,000 special warrants to Riverside, which will automatically vest and convert into one share of the Company, for no additional consideration, with the following vesting schedule:

Vesting Date	No. of Special Warrants Vested / Converted
12 months from Closing	500,000 (*vested and converted on July 13, 2021*)
18 months from Closing	500,000 (*vested and converted on January 13, 2022*)
24 months from Closing	500,000
30 months from Closing	500,000
36 months from Closing	500,000
	3,000,000

The special warrants will be cancelled if the Cecilia Agreement is terminated and have therefore been accounted for consistent with other option payments and will be recognized as acquisition costs as they vest. The Company issued 500,000 common shares upon exercise of Special warrants valued at $150,000 during the nine-month period ended November 30, 2021 and made a cash payment of $50,000 pursuant to the terms of the Cecilia Agreement.

Mack option agreement, British Columbia

During the year ended February 28, 2021, the Company entered into an option agreement (the "Mack Agreement") with United Mineral Services Ltd. ("UMS"), a private company. The Company has agreed with UMS that Amarc Resources Ltd. ("Amarc") will operate the exploration program.

Under the terms of the Mack Agreement, the Company has the right to earn a 50% working interest in the Mack copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $50,000 on or before August 14, 2020 (paid); and
b) $350,000 on the earlier of:
    i) within 5 days of notice from Amarc that it has received the necessary permit required for the agreed upon earn-in program for the Mack Property before September 30, 2020 (paid); and
    ii) April 1, 2021, if the permit is in-hand after September 30, 2020 but before April 1, 2021; or such other date as agreed to by the parties

During the year ended February 28, 2021, the Company issued 100,000 common shares with a value of $19,000 to stake additional contiguous claims on the Mack property.

Jake option agreement, British Columbia

During the year ended February 28, 2021, the Company entered into an option agreement (the "Jake Agreement") with UMS, a private company. Under the terms of the Jake Agreement, the Company has the right to earn a 50% working interest in the Jake copper-molybdenum-gold property by funding $400,000 for an initial drill program as follows:

a) $100,000 on or before November 30, 2020; and
b) $300,000 on the earlier of:

Expressed in Canadian Dollars except otherwise noted

i) May 1, 2021, if Amarc has received the necessary permit required for the earn-in program for the Jake Property; and
ii) Within five days of notice that it has received the permit after May 1, 2021 but before September 30, 2021; or such other date as agreed to by the parties.

Amarc will operate the exploration program. As at February 28, 2021, the Company had not made any payments towards the Jake option agreement or capitalized exploration expenditures. During the nine-month period ended November 30, 2021, the Jake Agreement was terminated.

Isaac Mining Corp amalgamation agreement, British Columbia

On December 16, 2020, the Company entered into an amalgamation agreement (the "Agreement") with Isaac Mining Corp. ("IMC"), an arm's length private British Columbia corporation, and 1269597 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company, pursuant to which the Company acquired (the "Transaction") all of the issued and outstanding securities of IMC by way of a "three-cornered" amalgamation.

Incorporated in September of 2020, IMC is a private British Columbia mineral exploration corporation which owns 100% of the Newton Gold Project (the "Newton Gold Project" or the "Project") located in the Clinton Mining Division of the Province of British Columbia.

Pursuant to the Agreement, the Company acquired all of the issued and outstanding IMC Shares by way of a "three-cornered" amalgamation (the "Amalgamation") whereby NewCo and IMC amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia) to form one corporation, which continued under the name "Isaac Newton Mining Corp.", a wholly owned subsidiary of the Company. Accordingly, each of the common shares of IMC (each, an "IMC Share") were cancelled and, in consideration for such IMC Shares, each IMC shareholder (collectively, the "IMC Shareholders") received one common share in the capital of the Company for every IMC Share held by such shareholder. An aggregate of 20,562,100 common shares of the Company were issued to the IMC Shareholders in exchange for their respective IMC Shares as well as an aggregate of 9,531,000 warrants in replacement of IMC warrants. The warrants are exercisable at an exercise price of $0.50 per common share for a period of 3 years from the date of issuance. The value of $1,192,874 was determined using the Black Scholes option pricing model using the following assumptions: exercise price: $0.50, expected life: 3 years, volatility: 161.58% and discount rate: 0.24%.

In connection with the Transaction, the Company has entered into a termination agreement (the "Termination Agreement") with Amarc and AgraFlora Organics International Inc. (formerly Newton Gold Corp.) ("AgraFlora") pursuant to which the Company agreed to purchase for cancellation a residual 5% net profit interest royalty (the "NPI Royalty") on the Newton Gold Project held by AgraFlora. In consideration for the acquisition and termination of the NPI Royalty, the Company agreed to issue AgraFlora non-transferrable warrants to purchase 200,000 at an exercise price of $0.50 per common share for a period of 3 years from the date of issuance. The value of $25,031 was determined using the Black Scholes option pricing model using the following assumptions: exercise price: $0.50, expected life: 3 years, volatility: 161.58% and discount rate: 0.24%.

The Company has determined that the transaction does not meet the definition of a business combination and treated the amalgamation as an asset acquisition.

Purchase price consideration		
Value of 20,562,100 common shares issued at $0.25	$	5,140,525
Fair value of 9,531,000 warrants issue		1,192,874
Fair value of 200,000 warrants issued to AgraFlora		25,031
		6,358,430
Assets and liabilities acquired		
Cash	$	1,097,078
Receivables		669,350
Newton Gold Project		4,592,330
Trade payables and accrued liabilities		(328)
Total purchase price allocated	**$**	**6,358,430**

Expressed in Canadian Dollars except otherwise noted

OWL Lake Resources Ltd amalgamation agreement, Ontario

On June 14, 2021, the Company entered into an amalgamation agreement (the "Agreement") with OWL Lake Resources Ltd. ("OWL"), an arm's length private British Columbia corporation, and 1305339 B.C. Ltd. ("NewCo"), a wholly-owned subsidiary of the Company, pursuant to which the Company acquired (the "Transaction") all of the issued and outstanding securities of OWL by way of a "three-cornered" amalgamation.

Incorporated in October of 2018, OWL is a private British Columbia mineral exploration corporation which owns 100% of the Owl Lake Property (the "Owl Lake Property" or the "Property") located in the Hemlo-Schreiber Greenstone Belt in the Thunder Bay South Mining Division in the Province of Ontario.

Pursuant to the Agreement, the Company acquired all of the issued and outstanding OWL Shares by way of a "three-cornered" amalgamation (the "Amalgamation") whereby NewCo and OWL amalgamated pursuant to the provisions of the Business Corporations Act (British Columbia) to form one corporation, which continued under the name "OWL Lake Mining Corp.", a wholly owned subsidiary of the Company. Accordingly, each of the common shares of OWL (each, an "OWL Share") were cancelled and, in consideration for such OWL Shares, each OWL shareholder (collectively, the "OWL Shareholders") received one common share in the capital of the Company for every three and a half of OWL Share held by such shareholder. An aggregate of 13,714,269 common shares of the Company were issued to the OWL Shareholders in exchange for their respective OWL Shares.

The Company has determined that the transaction does not meet the definition of a business combination and treated the amalgamation as an asset acquisition.

In connection with the Transaction, the Company paid a finder's fee to Triview Capital Ltd., an arm's length private Calgary corporation, by issuing 935,713 common shares. As the acquired entity did not constitute a business, the finder's fee was included in purchase price consideration.

Purchase price consideration		
Value of 13,714,269 common shares issued at $0.13	$	1,782,855
Value of 935,713 common shares at $0.13, which is a finder's fee		121,643
		1,904,498
Assets and liabilities acquired		
Cash	$	872,494
Owl Lake Property		1,086,338
Trade payables and accrued liabilities		(54,334)
Total purchase price allocated	**$**	**1,904,498**

Expressed in Canadian Dollars except otherwise noted

A continuity of the Company's exploration and evaluation assets is as follows:

	Sunset	Mack	Cecilia	Star / Porcher	Blackie / Peneece	Newton	Owl Lake	Total
Acquisition costs:								
Balance, February 29, 2020	$ 65,000	$ -	$ -	$ 730,000	$ 500,000	$ -	$ -	$ 1,295,000
Additions	-	25,822	540,000	-	-	4,632,993	-	5,198,815
Write-off	-	-	-	(717,500)	(487,500)	-	-	(1,205,000)
Disposal	-	-	-	(12,500)	(12,500)		-	(25,000)
Balance, February 28, 2021	65,000	25,822	540,000	-	-	4,632,993	-	5,263,815
Additions	-	-	200,000	-	-	-	1,086,338	1,286,338
Balance, November 30, 2021	**65,000**	**25,882**	**740,000**	**-**	**-**	**4,632,993**	**1,086,338**	**6,550,153**
Exploration costs:								
Balance, February 29, 2020	103,495	-	-	110,743	96,668	-	-	310,906
Field Personnel	-	-	115,379	-	-	-	-	115,379
Sampling	-	-	200,648	-	-	-	-	200,648
Drill program	-	425,000	-	-	-	-	-	425,000
Geological consulting	-	4,106	64,491	-	-	-	-	68,597
Supplies and other	-	-	78,009	-	-	-	-	78,009
Travel and meals	-	-	61,196	-	-	-	-	61,196
Project management	-	-	88,798	-	-	-	-	88,798
Write-off	-	-	-	(110,743)	(96,668)	-	-	(207,411)
Balance, February 28, 2021	103,495	429,106	608,521	-	-	-	-	1,141,122
Field Personnel	-	-	24,870	-	-	-	-	24,870
Sampling	-	-	44,404	-	-	-	-	44,404
Geological consulting	-	-	30,440	-	-	75,260	-	105,700
Supplies and other	-	-	2,076	-	-	-	-	2,076
Travel and meals	-	-	7,896	-	-	-	-	7,896
Permitting	-	-	-	-	-	14,437	-	14,437
Project management	-	-	13,636	-	-	-	-	13,636
Balance, November 30, 2021	**103,495**	**429,106**	**731,843**	**-**	**-**	**89,697**	**-**	**1,354,141**
Balance, February 28, 2021	$ 168,495	$ 454,928	$ 1,148,521	$ -	$ -	$ 4,632,993	$ -	$ 6,404,937
Balance, November 30, 2021	**$ 168,495**	**$ 454,928**	**$ 1,471,843**	**$ -**	**$ -**	**$ 4,722,690**	**$1,086,338**	**$ 7,904,294**

Expressed in Canadian Dollars except otherwise noted

NOTE 6 – SHARE CAPITAL

Authorized: unlimited number of common shares without par value.

		Number of Shares		Amount
Balance, February 29, 2020		**5,075,225**	**$**	**5,491,724**
Shares issued in private placements, net of share issue costs and flow-through premium liability recognized on issuance	(a)(b)	17,065,000		1,445,649
Shares issued upon stock option exercise	(c)	375,000		97,805
Shares issued for exploration and evaluation assets	(d)	1,600,000		469,000
Shares issued to settle trade payables	(e)	932,291		139,844
Balance, November 30, 2020		**25,047,516**	**$**	**7,485,372**
Balance, February 28, 2021		**48,900,509**	**$**	**13,139,486**
Shares issued upon stock option exercise	(f)	805,000		181,855
Shares issued for OWL Lake Resources Ltd.	(g)	14,649,982		1,904,498
Shares issued for exploration and evaluation assets	(h)	500,000		150,000
Shares issued to settle trade payables	(i)	2,091,445		195,791
Balance, November 30, 2021		**66,946,936**	**$**	**15,571,630**

(a) Closed three tranches of a private placement by issuing 15,827,000 units (each, a "Unit") at a price of $0.075 per Unit for gross proceeds of $1,187,025, of which $72,750 had been collected as at February 29, 2020, as follows:

a. 2,666,667 Units on March 27, 2020;
b. 8,628,333 Units on April 29, 2020; and
c. 4,532,000 Units on May 15, 2020.

Each unit consists of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.20 per common share for five years from the date of issuances. In connection with the offering, the Company paid an aggregate of $65,304 in finders' fees and incurred an additional $17,716 in other closing costs. All common shares issued in connection with the offering will be subject to voluntary escrow, pursuant to which 35% of the common shares will be released four months and one day from the issuance date, 35% of the common shares will be released seven months and one day from the issuance date, and the remaining 30% of the common shares will be released ten months and one day from the issuance date.

(b) Closed a non-brokered private placement by issuing 1,238,000 flow-through units (each, a "FT Unit") at a price of $0.30 per FT Unit for gross proceeds of $371,400. Each FT Unit was comprised of one flow-through share and one common share purchase warrant, each entitling the holder to acquire one non-flow-through common share at a price of $0.75 per common share for a period of two years. The Company paid finders' fees of $22,992 and issued 76,640 finders' warrants, exercisable at $0.30 for a period of two years. The finders' warrants were valued at $13,736 using the Black-Scholes pricing model using a share price of $0.22, expected life of two years, and a volatility of 198.84%. The Company incurred additional costs of $52,637 in connection with the financing. The Company used the residual method to calculate the fair value of the tax deduction attached with the flow-through common share and recorded a flow-through liability of $99,040.

(c) Issued 375,000 common shares at a price of $0.15 per common share for proceeds of $56,250 on the exercise of stock options. Upon exercise, $41,555 relating to the fair value of the options was reclassified from reserves to share capital.

(d) Issued 1,500,000 common shares valued at $450,000 as required under the Cecilia Agreement (Note 5) and 100,000 common shares valued at $19,000 to obtain additional mineral claims on the Mack property (Note 5).

(e) Issued 932,291 common shares valued at $139,844 to Directors of the Company to settle trade payables and accrued liabilities valued at $111,875. The Company recognized a loss on the issuance of $27,969 to the statement of loss and comprehensive loss.

Expressed in Canadian Dollars except otherwise noted

(f) Issued 805,000 for stock options exercised at an average price of $0.12 per common share for proceeds of $98,825. Upon exercise, $83,030 relating to the fair value of the stock options was reclassified from reserves to share capital.

(g) Issued 14,649,982 common shares on acquisition of OWL Lake Property. (Note 5).

(h) On July 13, 2021, issued 500,000 common shares upon exercise of 500,000 special warrants that vested pursuant to the Cecilia option agreement (Note 5). Special warrants were valued at $0.30 on grant date using the Black Scholes valuation model, but not recognized until the vesting and immediate exercise.

(i) Issued 2,091,445 common shares valued at $195,791 to Directors of the Company and consultants to settle trade payables and accrued liabilities valued at $149,999. The Company recognized a loss on settlement of trade payables equal to $7,000 and $45,792 for the three- and nine-month periods respectively.

NOTE 7 – RESERVES

Warrants

		Number of Warrants		Weighted Average Exercise Price
Balance, February 29, 2020		-	$	-
Issued		26,872,640		0.33
Shares issued to settle trade payables		3,000,000		0.30
Balance, February 28, 2021		**29,872,640**	**$**	**0.33**
Exercised	(a)	(500,000)		0.30
Balance, November 30, 2021		**29,372,640**	**$**	**0.33**

(a) Pursuant to the terms of the Cecilia Agreement, Riverside exercised 500,000 special warrants that vested on July 13, 2021 for no consideration. See Note 5 for the terms of the Cecilia Agreement.

Warrants outstanding as at November 30, 2021 are as follows:

Expiry Date	Exercise Price, $	Outstanding Warrants	Outstanding and Exercisable Warrants
November 30, 2022	0.75	1,238,000	1,238,000
November 30, 2022	0.30	76,640	76,640
November 20, 2023	0.50	1,441,000	1,441,000
November 25, 2023	0.50	1,240,000	1,240,000
November 27, 2023	0.50	1,350,000	1,350,000
December 8, 2023	0.50	5,700,000	5,700,000
March 27, 2025	0.20	2,666,667	2,666,667
April 29, 2025	0.20	8,628,333	8,628,333
May 15, 2025	0.20	4,532,000	4,532,000
Cecilia Agreement (Note 5)	-	2,500,000	-
	0.31	**29,372,640**	**26,872,640**

The weighted average remaining contractual life of warrants, excluding Special Warrants, outstanding as at November 30, 2021 is 2.77 years (February 28, 2021 – 3.53 years).

Stock options

The Company has adopted a stock option plan. The stock option plan provides that, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is five years from the date that such options are granted.

Expressed in Canadian Dollars except otherwise noted

The following is a summary of stock options outstanding as at November 30, 2021 and February 28, 2021 and changes during the nine-month period then ended:

	Number of options		Weighted average exercise price
Balance, February 29, 2020	**492,000**	**$**	**1.69**
Granted	4,390,000		0.14
Exercised	(425,000)		0.15
Expired	(83,009)		1.40
Balance, February 28, 2021 – outstanding and exercisable	**4,373,991**	**$**	**0.29**
Granted	555,000		0.115
Exercised	(805,000)		0.12
Balance, November 30, 2021 – outstanding and exercisable	**4,123,991**	**$**	**0.30**

The weighted average fair value of incentive options granted during the nine-month period ended November 30, 2021 was $0.29 (year ended February 28, 2021 - $0.12). Total share-based payments for the three- and nine-month periods ended November 30, 2021 was $nil and $50,605 respectively (the three- and nine-month periods ended November 30, 2020 - $nil and $177,299 respectively) and classified as expense in the statement of loss and comprehensive loss. The fair value of incentive options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Nine-month period ended November 30, 2021	Year ended February 28, 2021
Weighted average exercise price	$0.115	$0.20
Risk-free interest rate	0.24%	0.30%
Expected life (years)	2.00	4.00
Expected volatility	195%	161%
Expected dividends	0%	0%
Forfeiture rate	0%	0%

Stock options outstanding and exercisable as at November 30, 2021 are as follows:

Expiry Date	Exercise Price, $	Number of Options Outstanding	Number of Options Exercisable
October 29, 2023	1.75	337,564	337,564
March 21, 2024	1.75	57,142	57,142
March 24, 2024	1.75	14,285	14,285
May 15, 2025	0.15	1,175,000	1,175,000
February 19, 2026	0.14	2,540,000	2,540,000
	0.30	**4,123,991**	**4,123,991**

The weighted average remaining contractual life of stock options outstanding and exercisable as at November 30, 2021 is 3.78 years (February 28, 2021 – 4.54 years).

NOTE 8 – OTHER INCOME

The Company received income of $nil and $15,840 in during the three- and nine-month periods ended November 30, 2021 from the short-term office sublease.

NOTE 9 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation
Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

Expressed in Canadian Dollars except otherwise noted

The compensation awarded to key management personnel is as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2021	2020	2021	2020
Management fees	$ 48,000	$ 48,375	$ 155,440	$ 141,375
Consulting fees	15,000	15,000	45,000	45,000
Share-based payments	-	-	-	60,947
Total compensation	**$ 63,000**	**$ 63,375**	**$ 200,440**	**$ 247,322**

Due to related parties
As at November 30, 2021, $98,197 (February 28, 2021 - $74,550) was included in trade payables and accrued liabilities for fees owed to related parties. As at November 30, 2021, $51,990 (February 28, 2021 - $35,500) was included in prepaid expenses advanced to related party.

During the year ended February 28, 2021, the Company issued a loan of $150,000 to an officer of the Company. The loan is non-interest bearing and repayable on demand. During the nine-month period ended November 30, 2021, the Company received a loan repayment of $130,000 and $20,000 was applied to the issued invoices for management fees.

During the year ended February 28, 2021, the Company issued a loan of $55,482 to a Company with an officer in common. The loan is non-interest bearing and repayable on demand. During the nine-month period ended November 30, 2021, the Company received a loan repayment of $55,482.

NOTE 10 – FINANCIAL INSTRUMENTS

Fair values
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, restricted cash, receivables, loans receivable, trade payables and accrued liabilities approximate their fair values due to the immediate or short-term nature of these instruments. There has been no significant change in credit and market interest rates since the date of its receipt.

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

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Loans receivable	Amortized cost
Financial liabilities	
Trade payables and accrued liabilities	Amortized cost

Capital and Risk Management
The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the executive team under policies approved by the Board of Directors. The executive team identifies and evaluates financial risks in close cooperation with the Board of Directors.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk. As at November 30, 2021, the Company is not exposed to significant interest rate risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Trade payables and accrued liabilities	$ 226,711	$ 226,711	$ 226,711	$ -	$ -
Total	**$ 226,711**	**$ 226,711**	**$ 226,711**	**$ -**	**$ -**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk
Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from current conversions is not significant and therefore does not hedge its foreign exchange risk.

NOTE 11 – SEGMENT REPORTING

All the Company's operations are in the resource sector. The Company's mineral exploration and evaluation operations are based in Canada and Mexico. The non-current and total assets identifiable within these geographical areas are as follows:

Expressed in Canadian Dollars except otherwise noted

		November 30, 2021		February 28, 2021
Canada	$	6,476,481	$	5,261,299
Mexico		1,489,848		1,289,848
Total non-current assets	**$**	**7,966,329**	**$**	**6,551,147**

The Company's assets by country are as follows:

		November 30, 2021		February 28, 2021
Canada	$	6,855,549	$	5,796,231
Mexico		1,489,848		1,289,848
Total assets	**$**	**8,345,397**	**$**	**7,086,079**

NOTE 12 – EVENTS AFTER REPORTING PERIOD

Subsequent to the three- and nine-month period ended November 30, 2021, the Company issued 300,000 common shares to Directors of the Company and consultants to settle trade payables and accrued liabilities and 500,000 common shares upon vesting and conversion of 500,000 Special Warrants (Note 5).