FenixOro Gold Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three and Nine Months Ended November 30, 2021 and 2020

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of FenixOro Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended November 30, 2021 have not been reviewed by the Company's auditors.

FenixOro Gold Corp.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	November 30, 2021	February 28, 2021
Assets		
Current assets		
Cash	**$ 698,508**	$ 706,328
HST receivable	**22,280**	21,975
Prepaid expenses	**267,613**	273,495
Total current assets	**988,401**	1,001,798
Property and equipment (note 4)	**149,062**	144,340
Exploration and evaluation assets (note 5)	**8,063,189**	8,188,594
Total Assets	**$ 9,200,652**	$ 9,334,732
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 2,108,175**	$ 1,067,048
Accrued liabilities	**96,883**	72,312
Loan payable (note 6)	**383,760**	-
Total Liabilities	**2,588,818**	1,139,360
Shareholders' Equity		
Share capital (note 8(b))	**14,004,036**	13,308,393
Reserves (notes 8(d)(e)(f))	**2,318,596**	1,612,331
Shares to be issued (note 8(c))	**20,000**	390,000
Accumulated other comprehensive income	**203,510**	106,951
Accumulated deficit	**(9,934,308)**	(7,222,303)
Total shareholders' equity	**6,611,834**	8,195,372
Total Liabilities and Equity	**$ 9,200,652**	$ 9,334,732

Nature of operations and going concern (note 1)
Contingency (note 12)
Subsequent event (note 13)

Approved by the Board of Directors:

Director: John Carlesso

Director: Stuart Moller

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

FenixOro Gold Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended November 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended November 30, 2021	Three months ended November 30, 2020	Nine months ended November 30, 2021	Nine months ended November 30, 2020
Expenses				
Administration expenses	**$ 52,893**	$ 48,189	**$ 147,711**	$ 130,442
Advertising and promotion	**3,303**	8,346	**4,804**	335,141
Consulting (note 10)	**592**	5,000	**186,327**	142,206
Exploration expenditures	**537,680**	708,914	**1,428,742**	884,833
Filing and transfer agent fees	**9,684**	41,712	**32,713**	81,654
Investor communications	**-**	11,000	**-**	28,096
Professional fees (note 10)	**43,361**	34,551	**170,273**	87,584
Stock-based compensation (note 8(f))	**287,237**	262,939	**737,644**	530,496
Depreciation (note 4)	**1,101**	4,955	**4,069**	6,335
Loss before other items	**(935,851)**	(1,125,606)	**(2,712,283)**	(2,226,787)
Foreign exchange gain	**6,315**	1,236	**278**	5,746
Net loss for the period	**$ (929,536)**	$ (1,124,370)	**$ (2,712,005)**	$ (2,221,041)
Other comprehensive income				
Items that will be recycled to profit or loss:				
Foreign currency translation adjustment	**177,643**	(23,828)	**96,559**	51,521
Comprehensive loss for the period	**$ (751,893)**	$ (1,148,198)	**$ (2,615,446)**	$ (2,169,520)
Loss per share - basic and diluted	**$ (0.01)**	$ (0.02)	**$ (0.03)**	$ (0.04)
Weighted average number of shares outstanding	**85,160,597**	75,017,108	**82,581,919**	60,386,064

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

FenixOro Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Shares to be		Accumulated Other Comprehensive	Accumulated	
	Number	Amount	Issued	Reserves	Loss	Deficit	Total
Balance, February 29, 2020	**30,813,372**	**$ 3,960,583**	**$ -**	**$ 297,351**	**$ -**	**$ (2,717,259)**	**$ 1,540,675**
Shares issued pursuant to acquisiton of Fenix	31,000,000	6,045,000	-	-	-	-	6,045,000
Replacement warrants issued	-	-	-	498,838	-	-	498,838
Shares issued for services	200,000	39,000	-	-	-	-	39,000
Shares issued on warrants exercised	12,513,570	1,720,154	-	-	-	-	1,720,154
Shares to be issued for warrant exercises	-	-	-	-	-	-	-
Shares issued on broker warrants exercised	490,700	185,350	-	-	-	-	185,350
Fair value of broker warrants exercised	-	92,338	-	(92,338)	-	-	-
Shares issued on stock options exercised	600,000	120,000	-	-	-	-	120,000
Fair value of stock options exercised	-	145,725	-	(145,725)	-	-	-
Stock-based compensation	-	-	-	530,496	-	-	530,496
Net loss and comprehensive loss for the period	-	-	-	-	51,521	(2,221,041)	(2,169,520)
Balance, November 30, 2020	**75,617,642**	**$ 12,308,150**	**$ -**	**$ 1,088,622**	**$ 51,521**	**$ (4,938,300)**	**$ 8,509,993**
Balance, February 28, 2021	**79,652,443**	**$ 13,308,393**	**$ 390,000**	**$ 1,612,331**	**$ 106,951**	**$ (7,222,303)**	**$ 8,195,372**
Shares issued for acquisition of mineral property interest	1,000,000	295,000	(390,000)	-	-	-	(95,000)
Share issuance costs	-	(15,736)	-	-	-	-	(15,736)
Shares issued on warrants exercised	5,102,000	385,000	-	-	-	-	385,000
Shares to be issued	-	-	20,000	-	-	-	20,000
Fair value of warrants exercised	-	31,379	-	(31,379)	-	-	-
Stock-based compensation	-	-	-	737,644	-	-	737,644
Net loss and comprehensive loss for the period	-	-	-	-	96,559	(2,712,005)	(2,615,446)
Balance, November 30, 2021	**85,754,443**	**$ 14,004,036**	**$ 20,000**	**$ 2,318,596**	**$ 203,510**	**$ (9,934,308)**	**$ 6,611,834**

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

FenixOro Gold Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine Months Ended November 30,	**2021**	**2020**
Operating Activities		
Net loss for the period	**$ (2,712,005)**	$ (2,221,041)
Items not affecting cash:		
Stock-based compensation	**737,644**	530,496
Shares for service	**-**	39,000
Depreciation	**4,069**	6,335
Changes in non-cash working capital:		
HST receivable	**(305)**	29,191
Accounts receivable	**-**	(105,944)
Accounts payable and accrued liabilities	**1,065,698**	(359,276)
Prepaid expenses	**5,882**	116,054
Cash used in operating activities	**(899,017)**	(1,965,185)
Investing Activities		
Purchase of property and equipment	**(18,683)**	(152,031)
Pre-acquisition advance to Fenix Gold	**-**	(362,062)
Cash used in investing activities	**(18,683)**	(514,093)
Financing Activities		
Share issuance costs	**(15,736)**	-
Proceeds from the exercise of warrants	**385,000**	1,720,154
Proceeds from the exercise of broker warrants	**-**	185,350
Proceeds from the exercise of stock options	**-**	120,000
Proceeds received for shares to be issued for exercise of warrants	**20,000**	-
Proceeds from loan	**383,760**	-
Cash provided by financing activities	**773,024**	2,025,504
Change in cash during the period	**(144,676)**	(453,774)
Impact of foreign exchange on cash	**136,856**	78,921
Cash, beginning of the period	**706,328**	1,431,494
Cash, end of the period	**$ 698,508**	$ 1,056,641

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

1. Nature of operations and going concern

FenixOro Gold Corp. (formerly American Battery Metals Corp.)(the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources, in Colombia.

Effective November 29, 2018, the Company's shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "FDIV". Effective March 11, 2019, the Company changed its name from First Division Ventures Inc. to American Battery Metals Corp. and was traded under the symbol "ABC" on the CSE. Effective May 21, 2020, the Company changed its name to FenixOro Gold Corp and is traded under the symbol "FENX" on the CSE.

The Company's registered office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1, Canada.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has incurred losses and negative cash flows from operations since inception that has been funded through financing activities. The Company has no current source of revenues from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities that would be necessary if the Company is 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 outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

2. Basis of preparation

The unaudited condensed interim consolidated financial statements were authorized for issuance on January 31, 2022, by the directors of the Company.

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financialstatements for the year ended February 28, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended February 28, 2021.

2. Basis of preparation (continued)

(b) Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

(c) Significant estimates and assumptions

The preparation of these unaudited condensed interim consolidated financial statements requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the unaudited condensed interim consolidated 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 assumptions exist where there are significant risks of material adjustments to assets and liabilities in future accounting period, these include the recoverability of the carrying value of the exploration and evaluation assets, the measurements for financial instruments, and the recoverability of deferred tax assets.

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

3. Significant accounting policies

These unaudited condensed interim consolidated financial statements have been prepared based on accounting poliices and methods of computation consistent with those applied in the Company's audited annual financial statements for the fiscal year ended February 28, 2021.

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

4. Property and equipment

Cost	Construction and building	Computer	Equipment	Total
Balance, March 1, 2021	$ 114,126	$ 12,932	$ 23,557	$ 150,615
Addition	18,048	572	63	18,683
Impact of foreign exchange	(7,971)	(951)	(1,837)	(10,759)
Balance, November 30, 2021	**$ 124,203**	**$ 12,553**	**$ 21,783**	**$ 158,539**

(Expressed in Canadian Dollars)

4. Property and equipment (continued)

Accumulated depreciation	Construction and building	Computer	Equipment	Total
Balance, March 1, 2021	$ 4,755	$ 539	$ 981	$ 6,275
Depreciation for the period	3,108	324	637	4,069
Impact of foreign exchange	(666)	(73)	(128)	(867)
Balance, November 30, 2021	**$ 7,197**	**$ 790**	**$ 1,490**	**$ 9,477**

Net book value	Construction and building	Computer	Equipment	Total
Balance, March 1, 2021	$ 109,371	$ 12,393	$ 22,576	$ 144,340
Balance, November 30, 2021	**$ 117,006**	**$ 11,763**	**$ 20,293**	**$ 149,062**

5. Exploration and evaluation assets

The Company's exploration and evaluation assets are as follows:

	Columbia	United States	Total
Balance, February 28, 2020	$ -	$ -	$ -
Additions	8,188,594	-	8,188,594
Balance, February 28, 2021	$ 8,188,594	$ -	$ 8,188,594
Fair value adjustment	(125,405)	-	(125,405)
Balance, November 30, 2021	**$ 8,063,189**	**$ -**	**$ 8,063,189**

Temple Mountain Property, Utah, USA

On February 6, 2019, the Company entered an option agreement with GeoXplor Corp.(“GeoXplor”) to acquire 100% of GeoXplor’s interest in the Temple Mountain property (“Temple Mountain Property”) located in Emery County, Utah. Under the agreement, the Company was to pay USD$635,000 of which US$60,000 was paid, issue 3,250,000 shares of which 500,000 were issued and meet exploration expenditure requirements.

During the year ended February 29, 2020, the Company has determined it was not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

Fish Lake Property, Nevada, USA

On September 25, 2017, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property". Under the amended agreement, the Company was to pay $20,000 (paid), issue 3,000,000 common shares (none issued) and meet exploration expenditure requirements. The Company paid an additional $10,000 on the signing of the amendment.

The Company has determined it is not going to continue exploring the property; therefore, the Company wrote off the carrying value of the property.

Abriaqui project, Colombia

On May 19, 2020, through the acquisition of Fenix Gold Inc., a private company ("Fenix") the Company acquired the Abriaqui project (note 5) which consists of four mining claims. Two claims are 100% owned by Fenix and two are held through its subsidiaries, pursuant to a joint venture agreement with a local mining co-operative whereby Fenix, through its subsidiaries, has indirectly acquired a 35% ownership interest and has the right to earn-in up to a 90% interest in the claim (50% ownership upon completion of a USD$50,000 subtraction report and production facility, and USD$100,000 payment; 90% ownership upon USD$900,000 exploration expenses and USD$100,000 payment).

Polo Resources Ltd., Colombia

On August 25, 2020, the Company acquired the rights to certain mineral claims from Polo Resources Ltd. The 848ha package of four claims is contiguous with and west and northwest adjacent to FenixOro's Abriaqui Project. The Company has acquired the mining claims by issuance of 1,000,000 common shares at $0.295 Canadian plus legal fees. These shares were issued on July 21, 2021 (note 8).

6. Loan payable

During the nine months ended November 30, 2021, the Company obtained a loan of USD$300,000 from an external party. The loan was due in 3 months and has an interest rate of 3% per annum.

	As at November 30, 2021	As at February 28, 2021
Principal payable – current	**383,760**	-

7. Acquisition of Fenix Gold Inc.

On May 19, 2020, the Company completed the acquisition (the "Transaction") of Fenix. Fenix is focused on operating, developing, exploring and acquiring properties in Columbia. The Transaction was completed by way of an amalgamation of Fenix with a wholly-owned subsidiary of the Company. This represents a fundamental change for the Company with Fenix shareholders representing 47% of the Company.

The Company issued 29,000,000 common shares to the shareholders of Fenix as consideration for all the issued and outstanding shares of Fenix. The Company also issued 2,000,000 common shares to certain parties for their work in arranging the Transaction.The 31,000,000 total shares were determined to have a fair value of $6,045,000 using the share price of $0.195 at the date that the shares were issued. In addition, legal expenses totaling $59,038 were capitalized as part of the Transaction.

(Expressed in Canadian Dollars)

7. Acquisition of Fenix Gold Inc. (continued)

An aggregate of 3,846,785 outstanding warrants of Fenix were replaced with 4,006,095 common share purchase warrants of the Company exercisable at a price of $0.20 until the date that is 2 years from closing date of the Transaction. The Company fair valued the replacement warrants at $498,838 using the Black Scholes valuation model with an expected life of 2 years, exercise price of $0.20, volatility of 130% and a discount rate of 0.30%.

The Company had advanced USD$250,000 to Fenix on signing of the acquisition agreement which was eliminated on consolidation on the completion of the Transaction as an intercompany balance.

Cost of acquisition:		
Fair value of shares issued	$	5,655,000
Fair value of finder's shares		390,000
Fair value of replacement warrants		498,838
Advances and other costs incurred for the purpose of acquisition		406,978
	$	6,950,816
Fair value of assets acquired net of liabilities		
Cash	$	74,060
Accounts receivable		48,957
Prepaid expenses		9,948
Liabilities		(953,656)
Excess recorded as exploration and evaluation assets		7,771,507
Net assets	$	6,950,816

Liabilities acquired included $267,281 due to the CEO of the Company.

8. Share capital

(a) Authorized – Unlimited Common shares without par value;

(b) Issued and outstanding

During the nine months ended November 30, 2021 the following issuances occurred:

- During the nine months ended November 30, 2021, the Company issued 5,102,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $590,400. The share purchase warrants exercised had an original fair value of $31,379 recorded in the reserve which had been reclassified to share capital upon exercise of the share purchase warrants.

- On July 21, 2021, the Company issued 1,000,000 common shares with a fair value of $295,000 pursuant to an assignment of rights agreement with Polo Resources Ltd. (note 5).

During the year ended February 28, 2021, the following issuances occurred:

On May 19, 2020, the Company issued 31,000,000 common shares pursuant to the acquisition of Fenix (note 7).

On May 20, 2020, the Company issued 200,000 common shares with a fair value of $39,000 pursuant to a financial consulting agreement with Leede Jones Gable Inc.

(Expressed in Canadian Dollars)

8. Share capital (continued)

(b) Issued and outstanding (continued)

During the year ended February 28, 2021, the Company issued 13,313,571 common shares pursuant to the exercise of share purchase warrants for proceeds of 1,800,154. The share purchase warrants exercised had an original fair value of $nil recorded in the reserve.

During the year ended February 28, 2021, the Company issued 490,700 common shares pursuant to the exercise of share purchase broker warrants for proceeds of $185,350. The broker warrants exercised had an original fair value of $91,309 recorded in the reserve which had been reclassified to share capital upon exercise of the broker warrants.

During the year ended February 28, 2021, the Company issued 600,000 common shares pursuant to the exercise of stock options for proceeds of $120,000. The stock options exercised had an original fair value of $145,725 recorded in the reserve which had been reclassified to share capital upon exercise of the stock options.

On February 17, 2021, the Company issued 3,234,800 units for gross proceeds of $970,440. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.35 until February 17, 2023. The Company incurred legal fees associated with the private placement of $50,196 that have been recorded as share issuance costs.

(c) Shares to be issued

During the nine months ended November 30, 2021, the Company received proceeds of $20,000 from exercises of warrants for shares that were issued subsequent to November 30, 2021.

(d) Share purchase warrants

The share purchase warrants issued are valued using the residual method. During the nine months ended November 30, 2021, total common share purchase warrants of 1,000,000 (nine months ended November 30, 2020 – nil) were issued with a residual value of $nil (November 30, 2020 - $nil). Replacement warrants totaling 4,006,095 were granted related to the acquisition of Fenix. At November 30, 2021, the Company had the following share purchase warrants outstanding and exercisable:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, February 29, 2020	19,163,570	$ 0.128
Issued	7,240,895	0.267
Exercised	(13,313,570)	0.135
Expired	(1,000,000)	0.155
Balance, February 28, 2021	12,090,895	0.200
Issued	1,000,000	0.155
Exercised	(5,102,000)	0.106
Expired	(1,000,000)	0.100
Balance, November 30, 2021	**6,988,895**	**$ 0.269**

(Expressed in Canadian Dollars)

8. Share capital (continued)

(d) Share purchase warrants (continued)

The following table reflects the actual warrants issued and outstanding as of November 30, 2021 and February 28, 2021:

Date of expiry	Exercise price ($)	November 30, 2021	February 28, 2021
November 27, 2021	0.100	**-**	4,850,000
May 19, 2022	0.200	**3,754,095**	4,006,095
February 17, 2023	0.350	**3,234,800**	3,234,800
		6,988,895	12,090,895

(e) Brokers' warrants

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, February 29, 2020	615,534	$ 0.400
Expired	(124,834)	0.240
Exercised	(490,700)	0.340
Balance, February 28, 2021 and November 30, 2021	**-**	**$ -**

(f) Stock options

On July 28, 2021, the Company granted 500,000 stock options to a certain director of the Company. The options are exercisable at a price of $0.30 per share and expire after 5 years. The options fully vested on July 28, 2021.

On September 20, 2021, the Company granted 1,200,000 stock options to certain advisors and consultants of the Company. The options are exercisable at a price of $0.32 per share and expire after 5 years. The options fully vested on September 20, 2021.

The Company had the following stock options outstanding and exercisable:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, February 29, 2020	815,000	$ 0.19
Granted	5,465,000	0.27
Exercised	(600,000)	0.20
Balance, February 28, 2021	5,680,000	$ 0.26
Granted	1,700,000	0.32
Balance, November 30, 2021	**7,380,000**	**$ 0.28**

(Expressed in Canadian Dollars)

8. Share capital (continued)

(f) Stock options (continued)

For the three and nine months ended November 30, 2021, the Company recognized share-based compensation expense of $141,765 and $450,407, respectively (three and nine months ended November 30, 2020 – $262,939 and $530,496, respectively) related to stock options.

The following table reflects the actual stock options issued and outstanding as of November 30, 2021 and February 28, 2021:

Date of expiry	Exercise price ($)	November 30, 2021	February 28, 2021
December 10, 2023	0.200	**100,000**	100,000
January 9, 2025	0.155	**85,000**	85,000
January 13, 2025	0.165	**30,000**	30,000
May 25, 2025	0.260	**5,165,000**	5,165,000
June 24, 2025	0.405	**300,000**	300,000
July 28, 2026	0.300	**500,000**	-
September 20, 2026	0.320	**1,200,000**	-
		7,380,000	5,680,000

The weighted average fair value of the options granted and the assumptions used in the Black-Scholes Option Pricing Model are as follows:

Nine months ended November 30,	2021	2020
Risk-free interest rate	**0.78% - 0.85%**	0.30% - 0.38%
Estimated life	**5 years**	5 years
Expected volatility	**138% - 139%**	130%
Expected dividend yield	**0%**	0%

(g) Shares in escrow

Pursuant to the Fenix acquisition (note 6), the Company entered into an escrow agreement with certain insiders and shareholders. Pursuant to the escrow agreement, a total aggregate of 23,981,061 shares (the "Escrowed Shares"), have been placed into escrow pursuant to the Escrow Agreements. Fifty percent of the Escrowed Shares held pursuant to the Voluntary Escrow Agreement will be released in four months following the Listing Date, and ten percent of the Escrowed Shares will be released every thirty days thereafter. As at November 30, 2021, 5,278,964 common shares remain held in escrow.

(Expressed in Canadian Dollars)

9. Capital disclosure

The Company defines its capital as shareholders' equity. The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

10. Related party transactions

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company. During the three and nine months ended November 30, 2021 and November 30, 2020, the following related party transactions took place:

	Three months ended		Nine months ended	
	November 30, 2021	**November 30, 2020**	**November 30, 2021**	**November 30, 2020**
Consulting	**$ -**	$ -	**$ 141,000**	$ 35,000
Stock-based compensation	**-**	167,436	**389,455**	349,591
Professional fees	**15,011**	-	**70,922**	-
	$ 15,011	$ 167,436	**$ 601,377**	$ 384,591

During the three and nine months ended November 30, 2021, the Company expensed accounting fees of $15,011 and $70,922, respectively (three and nine months ended November 30, 2020 – $nil) to Marrelli Support Services Inc., a company which the CFO is related to. As at November 30, 2021 the Company owed $1,722 (February 28, 2021 - $35,769) to Marrelli Support Services Inc. for accounting fees.

11. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk – The Company's credit risk is primarily attributable to its liquid financial assets. The Company's primary exposure to credit risk is on its cash. Cash are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

11. Financial instruments (continued)

Liquidity Risk – Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company's financial liabilities are due within a year.

Interest rate risk – Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash is minimally affected by changes in short term interest rates.

Foreign currency risk – Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value – The Company has various financial instruments comprised of cash, receivables and accounts payable and accrued liabilities.

12. Contingency

On April 30, 2020, Califfi Capital Corp. ("Califfi"), a capital pool company listed on the TSX Venture Exchange (the "Exchange"), filed a statement of claim in the British Columbia Supreme Court against, inter alia, Fenix, alleging breach of contract and breach of a duty of good faith, resulting from the failure of the parties to complete a business combination, which would have constituted the "qualifying transaction" of Califfi (as that term is defined under the policies of the Exchange). Fenix had previously signed a letter of intent with Califfi with respect to a proposed business combination, which letter of intent expired pursuant to its terms on May 15, 2019. On June 17, 2020, Fenix filed a statement of defence in the B.C. Supreme Court, and intends to defend any and all claims relating to this litigation, which it considers baseless. Fenix is seeking to have the claim dismissed and to have Califfi be responsible for any costs Fenix may incur.

13. Subsequent event

On December 3, 2021, the Company issued 5,453,031 units for gross proceeds of $1,690,440, and on December 7, 2021, the Company issued 2,272,500 units for gross proceeds of $704,475. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at an exercise price of $0.34 for a period of two years from their date of issuance. In connection with the financing, the Company issued 197,550 brokers' warrants.