Scotch Creek Ventures Inc.

Condensed Interim Consolidated Financial Statements

For the nine months ended

September 30, 2021

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements for Scotch Creek Ventures Inc. (the "Company") have been prepared by management in accordance with International Financing Reporting Standards (IAS 34). These condensed interim consolidated financial statements are the responsibility of management are unaudited and have not been reviewed by the Company's auditors with the disclosure requirements of National Instruments 51-102 released by the Canadian Securities Administrators.

The Company's Audit Committee and Board of Directors has reviewed and approved these condensed interim consolidated financial statements.

As at September 30, 2021 and December 31, 2020

	Note	**September 30, 2021 $**	December 31, 2020 $
Assets			
Current assets			
Cash		685,662	33,984
Receivables	3	51,352	15,654
		737,014	49,638
Non-current assets			
Exploration and evaluation assets	5	3,490,684	260,625
		3,490,684	260,625
Total assets		**4,227,698**	310,263
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9	40,876	135,719
Promissory notes - current	6	-	91,000
		40,876	226,719
Non-current liabilities			
Promissory notes	6	-	25,000
Total liabilities		**40,876**	251,719
Shareholders' equity			
Share capital	7	5,696,435	627,208
Reserves	7	721,136	32,441
Deficit		(2,230,749)	(601,105)
Total shareholders' equity		**4,186,822**	58,544
Total liabilities and shareholders' equity		**4,227,698**	310,263
Nature of operations and going concern	1		
Proposed transaction	13		

Approved on behalf of the Board of Directors on November 19, 2021:

"David Ryan" **Director** *"Logan Anderson"* **Director**

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

Scotch Creek Ventures Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

For the nine months ended September 30, 2021 and September 30, 2020

	Number of shares #	Share capital $	Reserves $	Deficit $	Total shareholders' equity $
January 1, 2020	13,835,000	478,997	22,486	(389,850)	111,633
Share-based payments	-	-	80,900	-	80,900
Shares issued to settle debt	1,437,500	115,000	-	-	115,000
Loss and comprehensive loss for the period	-	-	-	(230,490)	(230,490)
September 30, 2020	15,272,500	593,997	103,386	(620,340)	77,043
January 1, 2021	15,549,265	627,208	32,441	(601,105)	58,544
Private placement units issued	6,566,120	2,298,142	-	-	2,298,142
Share issue costs	-	(318,915)	221,455	-	(97,460)
Shares issued on exercise of warrants	3,000,000	360,000	-	-	360,000
Shares issued for exploration and evaluation assets	3,500,000	2,730,000	-	-	2,730,000
Share-based payments	-	-	467,240	-	467,240
Loss and comprehensive loss for the period	-	-	-	(1,629,644)	(1,629,644)
September 30, 2021	**28,615,385**	**5,696,435**	**721,136**	**(2,230,749)**	**4,186,822**

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

Scotch Creek Ventures Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

For the three and nine months ended September 30,

		Three months ended		Nine months ended	
		September 30, 2021	September 30, 2020	**September 30, 2021**	September 30, 2020
	Note	**$**	$	**$**	$
Expenses					
Directors' fees	9	3,000	3,000	9,000	9,000
Interest expense, net	6,9	-	3,877	505	8,855
Management fees	9	60,000	30,000	180,000	90,000
Marketing, promotional and consulting expenses		188,030	-	798,704	-
Office and administrative expenses		24,192	5,295	74,283	21,896
Professional fees		958	12,909	48,114	18,484
Rent expense	9	11,500	-	26,500	-
Share-based payments	7,9	325,000	80,900	467,240	80,900
Travel and related fees		2,616	830	25,298	1,355
Loss and comprehensive loss for the period		**(615,296)**	(136,811)	**(1,629,644)**	(230,490)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	8	**28,615,385**	15,162,000	**23,593,753**	14,277,000
- diluted #	8	**28,615,385**	15,162,000	**23,593,753**	14,277,000
Basic loss per share $	8	**(0.02)**	(0.01)	**(0.07)**	(0.02)
Diluted loss per share $	8	**(0.02)**	(0.01)	**(0.07)**	(0.02)

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

Scotch Creek Ventures Inc.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited – Prepared by Management

For the nine months ended September 30,

	Note	**2021** **$**	2020 $
Operating activities			
Loss for the period		(1,629,644)	(230,490)
Adjustments for:			
Shares issued for services		-	115,000
Share-based payments		467,240	80,900
Net change in non-cash working capital items	11	(130,541)	(575)
		(1,292,945)	(35,165)
Financing activities			
Promissory notes	6	(116,000)	42,000
Issue of common shares/units for cash		2,658,142	-
Share issue costs		(97,460)	-
		2,444,682	42,000
Investing activities			
Exploration and evaluation expenditures		(500,059)	(9,535)
		(500,059)	(9,535)
Change in cash		**651,678**	(2,700)
Cash, beginning of period		**33,984**	6,238
Cash, end of period		**685,662**	3,538

Supplemental cash flow information 11

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

1. Nature of operations and going concern

Scotch Creek Ventures Inc. (the "Company") was incorporated on January 9, 2017 under the laws of the Province of British Columbia, Canada. The Company's head office and records office is located at 1140 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. Its main business activity is the acquisition, exploration and evaluation of mineral property interests located in the United States. These condensed interim consolidated financial statements (the "financial statements") of the Company as at September 30, 2021 and December 31, 2020 and for the three and nine months ended September 30, 2021 and September 30, 2020 comprise the Company and its subsidiaries (note 4). The Company's common shares trade on the Canadian Securities Exchange ("CSE").

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have revenues and historically has recurring operating losses. As at September 30, 2021, the Company had working capital of $696,138 (December 31, 2020 – working capital deficiency of $177,081) and shareholders' equity of $4,186,822 (December 31, 2020 - $58,544). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. There are travel restrictions and health and safety concerns in all areas in which the Company operates that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services and safeguarding all personnel during the outbreak, which may be prohibitive or too costly. Various Government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic. To date, the Company has not qualified for assistance, but the various programs are constantly being expanded and relaxed, which may qualify the Company for assistance.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended December 31, 2020, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

2. Significant accounting policies (continued)

(b) Significant accounting policies

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited consolidated financial statements and are those the Company expects to adopt in its annual consolidated financial statements for the year ended December 31, 2021. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements.

(c) New accounting standards

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2021. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

3. Receivables

Receivables consist of the following:

	September 30, 2021	December 31, 2020
	$	$
Sales tax recoverable	50,122	15,654
Other receivables	1,230	-
	51,352	15,654

4. Subsidiary information

On January 10, 2019, the Company incorporated a wholly-owned subsidiary company, Scotch Creek Ventures (NV) Inc. in the State of Nevada, USA, to facilitate the exploration of its mining claims (note 5).

On August 5, 2021, the Company incorporated a wholly-owned subsidiary company, Whiskey Glen Ventures Inc. under the laws of the Province of British Columbia, Canada, to facilitate the proposed spin-off of the Company's Cupz Claims (notes 5 and 13).

From incorporation to September 30, 2021, the subsidiaries did not have any transactions other than to issue nominal share capital to the Company. The head office and records office of the subsidiaries is the same as the Company.

5. Mineral property interests

The Company's mineral property interest consists of exploration stage properties located in Nevada, USA.

	Clayton Valley Claims	**Cupz Claims**	**Total**
	$	**$**	**$**
January 1, 2020	-	247,622	247,622
Acquisitions/staking/assessments	-	10,390	10,390
Exploration and evaluation	-	2,613	2,613
December 31, 2020	-	260,625	260,625
January 1, 2021	-	260,625	260,625
Acquisitions/staking/assessments	3,004,176	9,140	3,013,316
Exploration and evaluation	216,743	-	216,743
September 30, 2021	**3,220,919**	**269,765**	**3,490,684**

5. Mineral property interests (continued)

Exploration and evaluation expenditures on the projects consisted of the following:

Nine months ended September 30, 2021	Clayton Valley Claims $	Cupz Claims $	Total $
Geophysics	111,358	-	111,358
Reports and mapping	105,385	-	105,385
Total	216,743	-	216,743

Clayton Valley Claims

On June 9, 2021 the Company acquired two lithium properties in the Clayton Valley, Nevada. The two properties, the Highlands West and Macallan East, are located in the Clayton Valley district of Nevada.

The Company issued 3,500,000 common shares at a fair value of $2,730,000 (note 7) for 100% ownership of these claims and paid various BLM fees, County filing fees, and staking costs.

The Highlands West project consists of a series of placer claims and is located on the southwest side of the Clayton Valley, Nevada.

The Macallan East property consists of a series of claims and is located on the southeast side of the Clayton Valley, Nevada.

The Company had a National Instrument 43-101 report completed on each of the claim blocks which can be found on the Company's website (www.scotch-creek.com) or on SEDAR.

Cupz Claims

On July 12, 2017, the Company entered into a purchase agreement with Curellie LLC ("Curellie") of Elko, Nevada to acquire a 100% undivided interest in the Cupz unpatented lode claims located in Esmeralda County, Nevada.

The terms of the agreement are an outright purchase of the property for $17,000 (paid) with a 3% net smelter return ("NSR") royalty to Curellie. At any time, the Company may reduce the NSR to 2% by paying $500,000 to Curellie or to 1% by paying $1,000,000. On September 1, 2021, the Company announced the planned spin-off of this property (note 13).

6. Promissory notes

On March 26, 2020, the Company issued a $11,000 promissory note to a company that is controlled by a Director. The note bore interest at a rate of 10% and was payable on demand. During the nine months ended September 30, 2021, the principal of this note was repaid, along with accrued interest of $925 (note 9).

On April 21, 2020, the Company issued a $25,000 promissory note to an arm's length party which bore interest at a rate of 10% per annum and was due on or before April 21, 2022. During the nine months ended September 30, 2021, the principal of this note was repaid, along with accrued interest of $2,172.

On October 17 and October 23, 2019, the Company issued two promissory notes for $30,000 each to arm's length parties. The notes bore interest at a rate of 10% per annum and were due on March 17, 2021 and April 23, 2021. During the nine months ended September 30, 2021, the principal of these notes was repaid, along with accrued interest of $7,457.

6. Promissory notes (continued)

On May 23, 2018, the Company issued a two-year promissory note to an arm's length party for $20,000 which bore interest at a rate of 10% per annum and was due on or before May 23, 2020. During the nine months ended September 30, 2021, the principal of this note was repaid, along with accrued interest of $4,872.

7. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value, and unlimited preferred shares without par value. No preferred shares have been issued from incorporation to September 30, 2021. All issued shares are fully paid.

Transactions for the issue of share capital during the nine months ended September 30, 2021:

a) During the nine months ended September 30, 2021, the Company issued 3,000,000 common shares upon the exercise of warrants for proceeds of $360,000 ($0.12 per share).

b) On April 26, 2021, the Company closed a private placement of 6,566,120 units at $0.35 per unit for gross proceeds of $2,298,142. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at $0.50 for a period of two years. No residual value was allocated to the warrant component of the units.

In connection with the unit offering, the Company paid finder's fees totaling $97,460 and issued 344,637 finders' warrants with a fair value of $221,455. The finders' warrants are exercisable at a price of $0.50 for a period of two years.

c) During the nine months ended September 30, 2021, the Company issued 3,500,000 shares in connection with the acquisition of the Clayton Valley Nevada claims at a fair value $2,730,000 ($0.78 per share).

Transactions for the issue of share capital during the nine months ended September 30, 2020:

d) Only July 8, 2020 the Company settled outstanding indebtedness (pertaining to services provided) in the amount of $115,000 in exchange for 1,437,500 common shares of the Company ($0.08 per share). The debt settlement arrangements included Directors and Officers of the Company, and associated companies of Directors and Officers of the Company, totaling $105,000.

Escrowed securities

Of a total of 3,700,001 common shares subject to escrow, 555,001 remain held in escrow as at September 30, 2021, which are being released at a rate of 15% every 6 months from the starting date of December 28, 2019.

Stock options

On May 30, 2018, the Company adopted a Stock Option Plan (the "Plan") providing for the grant to the Company's Officers, Directors, employees, permitted consultants, and, management company employees, of options to purchase common shares of the Company. Under the Plan, the Company may grant options to purchase up to 10% of the issued and outstanding shares of the Company.

7. **Share capital** (continued)

Stock options (continued)

On March 2, 2021, the Company granted 450,000 stock options to Directors and Officers in accordance with the terms of the Company's Plan. The stock options are exercisable at $0.45 per share for a period of three years from the date of grant, expiring March 2, 2024, and vest immediately.

On July 12, 2021, the Company granted 200,000 stock options to consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at $0.89 per share for a period of three years from the date of grant, expiring July 12, 2024, and vest immediately.

On September 9, 2021, the Company granted 660,000 stock options to consultants in accordance with the terms of the Company's Plan. The stock options are exercisable at $0.50 per share for a period of two years from the date of grant, expiring September 9, 2023, and vest immediately.

The Company has recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payment expense was calculated using the following weighted average assumptions: expected life of options – 2.5 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 0.35%. Using these assumptions, the weighted average fair value of options granted during the period ended September 30, 2021 was $0.36 per option, for a total of $467,240.

A summary of the status of the Company's stock options as at September 30, 2021 and December 31, 2020 and changes during the period/year then ended is as follows:

	Nine months ended September 30, 2021		Year ended December 31, 2020	
	Options \#	Weighted average exercise price $	Options \#	Weighted average exercise price $
Options outstanding, beginning of period/year	1,400,000	0.08	-	-
Granted	1,310,000	0.54	1,400,000	0.08
Options outstanding, end of period/year	**2,710,000**	**0.30**	1,400,000	0.08

As at September 30, 2021, the Company has stock options outstanding and exercisable as follows:

Options outstanding \#	Options exercisable \#	Exercise price $	Expiry date
1,400,000	1,400,000	0.08	July 15, 2023
660,000	660,000	0.50	September 9, 2023
450,000	450,000	0.45	March 2, 2024
200,000	200,000	0.89	July 12, 2024
2,710,000	**2,710,000**		

7. Share capital (continued)

Stock options (continued)

The following table summarizes information about the stock options outstanding as at September 30, 2021:

Exercise price $	Options #	Weighted average remaining life (years)	Weighted average exercise price $
0.08 - 0.45	1,850,000	1.94	0.17
0.50 - 0.89	860,000	2.14	0.59
	2,710,000	**2.00**	**0.30**

The total share-based payment expense for the nine months ended September 30, 2021 was $467,240 (2020 - $80,900) which is presented as an operating expense and includes only options that vested during the period.

Warrants

As an incentive to complete private placements the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. In addition, finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at September 30, 2021 and December 31, 2020 and changes during the period/year then ended is as follows:

	Nine months ended September 30, 2021		Year ended December 31, 2020	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	3,000,000	0.12	3,297,450	0.10
Issued	6,910,757	0.50	-	-
Exercised	(3,000,000)	0.12	(276,765)	0.12
Expired	-	-	(20,685)	0.12
Warrants outstanding, end of period/year	**6,910,757**	**0.50**	3,000,000	0.12

As at September 30, 2021, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Expiry date
6,910,757	6,910,757	0.50	April 26, 2023
6,910,757	**6,910,757**		

In connection with the unit offering completed during the nine months ended September 30, 2021, the Company issued 344,637 finders' warrants, exercisable at a price of $0.50 for a period of two years. The fair value of the finders' warrants was $221,455 and was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of options – 2.0 years, expected stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 0.30%.

7. Share capital (continued)

Reserves

Contributed surplus includes the accumulated fair value of stock options recognized as share-based payments and the fair value of finders' warrants issued on private placements completed. Contributed surplus is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants are exercised.

8. Loss per share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2021 was based on the loss of $1,629,644 (2020 – $230,490) and a weighted average number of common shares outstanding of 23,593,753 (2020 – 14,277,000).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

9. Related party payables and transactions

A number of key management personnel and Directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. There were no loans to key management personnel or Directors, or entities over which they have control or significant influence during the nine months ended September 30, 2021 or September 30, 2020.

During the nine months ended September 30, 2021, the Company paid or accrued:

- $180,000 (2020 - $90,000) in management fees to companies controlled by two Officers and Directors;
- $9,000 (2020 - $9,000) in Directors' fees to two independent Directors; and
- $26,500 (2020 - $nil) in rent to a company controlled by two Directors.
- $925 (2020 - $nil) in interest was paid to a company controlled by an Officer and Director (note 6).

As at September 30, 2021, $13,000 (December 31, 2020 - $70,500) is owing to Directors, Officers and/or companies controlled by Directors and/or Officers and included in accounts payable and accrued liabilities.

During the nine months ended September 30, 2021, no stock options were granted to key management personnel.

During the nine months ended September 30, 2021, the Company repaid an $11,000 promissory note owing to a company controlled by a Director (note 9). The Company also repaid a $6,000 interest-free loan owing to a Director, that had been received during the year ended December 31, 2020 and included in accounts payable and accrued liabilities.

10. Segmented information

The Company's operations are limited to a single industry, being the acquisition, exploration and evaluation of mining projects. Geographic segment information of the Company's total assets as at September 30, 2021 and December 31, 2020 is as follows:

	September 30, 2021	December 31, 2020
	$	$
Canada	737,014	49,638
USA	3,490,684	260,625
	4,227,698	310,263

All of the Company's non-current assets are located in the United States.

11. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended September 30, 2021 and September 30, 2020 were comprised of the following:

	September 30, 2021 $	September 30, 2020 $
Receivables	(35,698)	(1,226)
Accounts payable and accrued liabilities	(94,843)	651
Net change	**(130,541)**	(575)

The Company incurred non-cash financing activities during the nine months ended September 30, 2021 and September 30, 2020 as follows:

	September 30, 2021 $	September 30, 2020 $
Non-cash financing activities:		
Share capital issued to settle debt	-	115,000
Share capital issued for exploration and evaluation assets	2,730,000	-
Finders' warrants issued as share issue cost	221,455	-
	2,951,455	115,000

The Company incurred non-cash investing activities during the nine months ended September 30, 2021 and September 30, 2020 as follows:

	September 30, 2021 $	September 30, 2020 $
Non-cash investing activities:		
Acquisition of exploration and evaluation assets by issue of share capital	(2,730,000)	-
	(2,730,000)	-

During the nine months ended September 30, 2021, $15,426 was paid in interest (2020 - $3,877) and $nil was paid for income tax expenses (2020 - $nil).

12. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or other equity instruments. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company’s capital structure as at September 30, 2021 is comprised of shareholders’ equity of $4,186,822 (December 31, 2020 - $58,544).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional funds from equity markets.

12. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities.

The carrying value of accounts payable and accrued liabilities approximates its fair value because of the short-term nature of this instrument.

Financial instruments measured at fair value on the condensed interim consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
September 30, 2021				
Cash	685,662	-	-	685,662
	685,662	**-**	**-**	**685,662**
December 31, 2020				
Cash	33,984	-	-	33,984
	33,984	-	-	33,984

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal receivables exposure as its refundable credits are due from the Canadian Government.

(b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. For the nine months ended September 30, 2021, every 1% fluctuation in interest rates up or down would have an insignificant impact on loss for the period.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. Management does not believe the Company has a significant level of exposure to currency risk.

13. Proposed transaction

On September 1, 2021, the Company announced its intention to spin-off its precious and base metals project (the Cupz Claims (note 5)) to its shareholders (the “Transaction”). For the purposes of completing the Transaction, the Company had incorporated a new subsidiary, Whiskey Glen Ventures Inc. (“Whiskey Glen”) (note 4). The Company will transfer the Cupz Claims to Whiskey Glen in exchange for common shares of Whiskey Glen equivalent to the amount of total investment in the Cupz Claims divided by $0.04 per share. As a result, shareholders of the Company will receive 1 Whiskey Glen common share for every 4.4 Company shares held.

The Transaction is subject to regulatory approval.