

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED MAY 31, 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	May 31, 2021	November 30, 2020
ASSETS		
CURRENT		
Cash	\$ 9,260,468	\$ 423,146
Amounts receivable	22,155	20,308
Prepays	197,467	89,235
Reclamation	16,145	-
	9,496,235	532,689
Exploration and evaluation assets (Note 4)	2,492,270	1,824,602
	\$ 11,988,505	\$ 2,357,291
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 147,917	\$ 50,131
EQUITY		
Share capital (Note 5)	13,611,984	3,653,743
Contributed surplus (Note 5)	1,353,995	299,451
Deficit	(3,125,391)	(1,646,034)
	11,840,588	2,307,160
	\$ 11,988,505	\$ 2,357,291

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 10)

Approved and authorized for issue on behalf of the Board on July 15, 2021

"Michael England" Director

"John Hiner" Director

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

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended		Six months ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
EXPENSES				
Advertising and promotion	\$ 65,861	\$ 3,000	\$ 109,082	\$ 16,870
Consulting fees	166,825	13,401	196,340	58,288
Management fees (Note 6)	55,000	45,000	100,000	90,000
Investor relations	44,757	-	44,757	-
Office and miscellaneous	8,033	12,731	10,665	24,877
Professional fees	65,010	8,750	76,856	22,197
Share-based payments	914,000	42,100	914,000	69,000
Transfer agent and filing fees	18,291	2,818	26,244	6,912
Travel	3,668	-	7,988	-
LOSS BEFORE OTHER ITEMS	(1,341,445)	(127,800)	(1,485,932)	(288,144)
OTHER ITEMS				
Other income	6,575	-	6,575	-
NET LOSS AND COMPREHENSIVE LOSS	\$ (1,334,870)	\$ (127,800)	\$ (1,479,357)	\$ (288,144)
LOSS PER SHARE (basic and diluted)	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING				
	58,469,538	19,360,034	46,621,861	18,994,334

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

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MAY 31, 2021

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Shares		Subscription received in advance	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
Balance, November 30, 2019	13,350,001	\$ 604,940	\$ 50,000	\$ 134,009	\$ (776,465)	\$ 12,484
Shares issued for cash	6,000,000	600,000	(50,000)	-	-	550,000
Shares issuance cost	-	(9,975)	-	-	-	(9,975)
Exercise of options	75,000	12,217	-	(3,967)	-	8,250
Exercise of warrants	8,000	1,373	-	(573)	-	800
Subscriptions received in advance	-	-	31,000	-	-	31,000
Share-based payments	-	-	-	69,000	-	69,000
Net loss for the period	-	-	-	-	(288,144)	(288,144)
Balance, May 31, 2020	19,433,001	1,208,555	31,000	198,469	(1,064,609)	373,415
Shares issued for cash	8,166,667	1,225,000	(31,000)	-	-	1,194,000
Share issuance costs	-	(63,980)	-	-	-	(63,980)
Exercise of options	475,000	84,117	-	(31,867)	-	52,250
Exercise of warrants	3,523,000	533,051	-	(15,251)	-	517,800
Shares issued for mineral properties	3,100,000	667,000	-	-	-	667,000
Share-based payments	-	-	-	148,100	-	148,100
Net loss for the period	-	-	-	-	(581,425)	(581,425)
Balance, November 30, 2020	34,697,668	3,653,743	-	299,451	(1,646,034)	2,307,160
Exercise of options	825,000	267,751	-	(100,501)	-	167,250
Exercise of warrants	1,739,000	288,555	-	(5,155)	-	283,400
Private placement	22,345,404	10,055,432	-	-	-	10,055,432
Share issuance costs - cash	-	(407,297)	-	-	-	(407,297)
Share issuance costs – warrants	-	(246,200)	-	246,200	-	-
Share-based payments	-	-	-	914,000	-	914,000
Net loss for the period	-	-	-	-	(1,479,357)	(1,479,357)
Balance, May 31, 2021	59,607,072	\$ 13,611,984	\$ -	\$ 1,353,995	\$ (3,125,391)	\$ 11,840,588

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

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Six months ended	
	May 31, 2021	May 31, 2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,479,357)	\$ (288,144)
Items not involving cash:		
Share-based payments	914,000	69,000
Changes in non-cash working capital balances:		
Amounts receivable	(1,847)	10,460
Prepays	(108,232)	(23,150)
Accounts payable and accrued liabilities	(11,374)	(119,046)
Cash used in operating activities	(686,810)	(350,880)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(25,000)	-
Exploration and evaluation expenditures	(533,508)	(68,426)
Reclamation bond	(16,145)	-
Cash used in investing activities	(574,653)	(68,426)
FINANCING ACTIVITIES		
Proceeds from share issuances	10,055,432	550,000
Share issuance costs	(407,297)	(9,975)
Subscriptions received in advance	-	31,000
Exercise of options	167,250	8,250
Exercise of warrants	283,400	800
Cash provided by financing activities	10,098,785	580,075
CHANGE IN CASH DURING PERIOD	8,837,322	160,769
CASH, BEGINNING OF PERIOD	423,146	7,828
CASH, END OF PERIOD	\$ 9,260,468	\$ 168,597
SUPPLEMENTAL CASH DISCLOSURES		
Fair value of finder's warrants	\$ 246,200	\$ -
Transfer of fair value of brokers warrants exercised	\$ 5,155	\$ -
Fair value of option exercised	\$ -	\$ 3,967
Fair value of warrant exercised	\$ -	\$ 573
Transfer of fair value for options exercised	\$ 100,501	\$ -
Exploration and evaluation assets included in accounts payable	\$ 135,430	\$ -

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

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED MAY 31, 2021

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Golden Lake Exploration Inc. (the “Company”) was incorporated on May 17, 2018 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 1240 – 789 West Pender Street, Vancouver, V6C 1H2, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2021, the Company had not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

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. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

As at May 31, 2021, the Company has not generated any revenues and has incurred accumulated losses of \$3,125,391 (November 30, 2020 - \$1,646,034). The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The condensed interim consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting (“IAS34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They do not include all financial information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended November 30, 2020.

The condensed interim consolidated financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

These condensed interim consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on July 15, 2021.

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED MAY 31, 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

c) Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Golden Lake Nevada Inc., a company incorporated under the laws of Nevada, USA. At May 31, 2021, the Company's subsidiary had not yet established any principal activities. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

d) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of May 31, 2021, the Company held no cash equivalents.

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

The fair value of warrants issued to agents in connection with private placements (“Agent Warrants”) is recognized on the date of issue as a share issue cost. The Company uses the Black-Scholes option pricing model to estimate the fair value of Agent Warrants issued.

g) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

h) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates (“the functional currency”), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the condensed interim statement of financial position date are recognized in the condensed interim statement of loss and comprehensive loss.

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED MAY 31, 2021

(Expressed in Canadian Dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Income taxes

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

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the condensed interim statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

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

l) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

m) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are measured at fair value upon initial recognition and measured subsequently at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED MAY 31, 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial instruments (continued)

The classification and measurement bases of the Company's financial instruments are as follows:

	IFRS 9 Classification
Cash	FVTPL
Amounts receivable	Amortized cost
Accounts payable	Amortized cost

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the expected credit loss has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to 12-month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at May 31, 2021.

The Company is required to disclose the inputs used in fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Newly adopted accounting policy

There were no new pronouncement that would have any significant effect on these condensed interim consolidated financial statements.

o) Accounting standards and amendments issued but not yet adopted

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- i. the measurement of deferred income tax assets and liabilities; and
- ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

- i. the assessment of indications of impairment of the mineral property assets and related determination of the net realizable value and write-down of the mineral property assets where applicable;
- ii. the determination of categories of financial assets and financial liabilities; and
- iii. the evaluation of the Company's ability to continue as a going concern.

GOLDEN LAKE EXPLORATION INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR SIX MONTH PERIOD ENDED MAY 31, 2021

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

4. EXPLORATION AND EVALUATION ASSETS

For the period ended May 31, 2021, the Company incurred following expenditures in relation to the acquisition and exploration of mineral properties.

	Jewel Ridge Project	Copperview Project	Conglin Creek Copper Project	Deadman Lake and South Dill Project	Total
Acquisition Costs:					
Balance, November 30, 2020	\$ 571,955	\$ 228,427	\$ 145,000	\$ 32,000	\$ 977,382
Cash	-	25,000	-	-	25,000
Balance, May 31, 2021	\$ 571,955	\$ 253,427	\$ 145,000	\$ 32,000	\$ 1,002,382
Deferred Exploration Costs:					
Balance, November 30, 2020	\$ 809,433	\$ 37,787	\$ -	\$ -	\$ 847,220
Assay	34,793	1,176	-	-	35,969
Geological consulting	233,750	-	-	-	233,750
Drilling	182,496	-	-	-	182,496
Field work	185,275	-	-	-	185,275
Legal	5,178	-	-	-	5,178
Balance, May 31, 2021	1,450,925	38,963	-	-	1,489,888
Total	\$ 2,022,880	\$ 292,390	\$ 145,000	\$ 32,000	\$ 2,492,270

For the year ended November 30, 2020, the Company incurred following expenditures in relation to the acquisition and exploration of mineral properties.

	Jewel Ridge Project	Copperview Project	Conglin Creek Copper Project	Deadman Lake and South Dill Project	Total
Acquisition Costs:					
Balance, November 30, 2019	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Cash	35,000	58,427	25,000	15,000	133,427
Shares issued	360,000	170,000	120,000	17,000	667,000
Other	36,955	-	-	-	36,955
Balance, November 30, 2020	\$ 571,955	\$ 228,427	\$ 145,000	\$ 32,000	\$ 977,382
Deferred Exploration Costs:					
Balance, November 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Assay	164,836	7,477	-	-	172,313
Geological consulting	203,738	19,950	-	-	223,688
Drilling	291,243	-	-	-	291,243
Field work	130,623	10,360	-	-	140,983
Legal	18,993	-	-	-	18,993
Balance, November 30, 2020	809,433	37,787	-	-	847,220
Total	\$ 1,381,388	\$ 266,214	\$ 145,000	\$ 32,000	\$ 1,824,602

GOLDEN LAKE EXPLORATION INC.
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4. EXPLORATION AND EVALUATION ASSETS (continued)

Jewel Ridge Project

Pursuant to an option agreement dated November 1, 2019 (the “Agreement”), with Greencastle Resources Ltd. and its affiliate Greencastle U.S.A. Ltd., (together the “Optionor”), the Company was granted an option to acquire 100% undivided interest in the Jewel Ridge Project (the “Property”) located near Eureka in Nevada.

In accordance with the Agreement, the Company has the option to acquire 100% interest in the property by making the following considerations:

	Common Shares	Cash	Exploration Expenditures
Upon execution of the Agreement (paid and issued)	1,000,000	\$ 25,000	\$ -
November 5, 2020 (paid, issued, and incurred)	2,000,000	35,000	150,000
November 5, 2021	2,000,000	45,000	250,000
November 5, 2022	-	50,000	350,000
Total	5,000,000	\$ 155,000	\$ 750,000

The Optionor will retain a 4% Net Smelter Returns (“NSR”) royalty on the mining claims comprising the Property described as “GM Squared claims” under the Agreement. The Company has the right to purchase all of the NSR for \$8,000,000. In addition, following the exercise of the option and acquisition of the Property, the Optionor shall reserve a royalty of 3% on NSR on the mining claims comprising the Property described as “Rainbow claims”. The Company has the option, up to seven years, to purchase 2% of the royalty for \$2,000,000. The Company shall pay to the Optionor advance royalty payments of \$50,000 per annum payable forty-eight months after the closing date and such payments are to be deducted from any royalty payments payable under Rainbow claims.

Copperview Project

Pursuant to an option agreement dated September 6, 2020, the Company was granted an option to acquire a 100% undivided interest in the Copperview Project located in British Columbia, Canada.

In accordance with the Agreement, the Company has the option to acquire 100% interest in the property by making the following considerations:

	Common Shares	Cash	Exploration Expenditures
September 15, 2020 (issued and paid)	500,000	\$ 25,000	\$ -
January 15, 2021 (paid)	-	25,000	-
September 15, 2021	500,000	50,000	100,000
September 15, 2022	1,000,000	100,000	300,000
September 15, 2023	-	-	600,000
Total	2,000,000	\$ 200,000	\$ 1,000,000

The property is subject to a 2.5% NSR of which 1.5% can be purchased back by the Company for \$1,500,000.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Conglin Creek Copper Property

Pursuant to an option agreement dated September 19, 2020, the Company was granted an option to acquire 100% undivided interest in the Conglin Creek Copper Property located in British Columbia, Canada.

In accordance with the Agreement, the Company has the option to acquire 100% interest in the property by making the following considerations:

	Common Shares	Cash
September 24, 2020 (issued and paid)	500,000	\$ 25,000
September 24, 2021	500,000	35,000
September 24, 2022	1,000,000	40,000
Total	2,000,000	\$ 100,000

The property is subject to a 2.5% NSR of which 1.5% can be purchased back by the Company for \$1,500,000.

Deadman Lake Property and South Dill Property

Pursuant to an option agreement dated October 19, 2020, the Company was granted an option to acquire 100% undivided interest in the Deadman lake Property located in contiguous to the Company's Copperview Project.

In accordance with the agreement, the Company has the option to acquire 100% interest in the two properties by making the following considerations:

	Common Shares	Cash
October 29, 2020 (issued and paid)	100,000	\$ 15,000
October 29, 2021	100,000	15,000
October 29, 2022	200,000	20,000
Total	400,000	\$ 50,000

The property is subject to a 1.6% NSR of which 1% can be purchased back by the Company for \$1,000,000.

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5. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% every six months from date of listing. At May 31, 2021, there were 450,001 (November 30, 2020 – 675,001) common shares held in escrow.

c) Issued and Outstanding:

During the period ended May 31, 2021, the Company:

- i) issued 975,000 common shares pursuant to the exercise of options for gross proceeds of \$167,250, and accordingly, the Company reallocated \$100,501 of contributed surplus of share capital.
- ii) issued 1,589,000 common shares pursuant to the exercise of warrants for gross proceeds of \$283,400, and accordingly, the Company reallocated \$5,155 of contributed surplus of share capital related to exercise of brokers warrants.
- iii) issued 22,345,404 units at a price of \$0.45 per unit for gross proceeds of \$10,055,432. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of \$0.60, expiring on or before a 24-month period after the closing day. Pursuant to the private placement, the Company paid a finders' fees of \$407,297 and issued 905,101 finders units valued at \$246,200.

During the year ended November 30, 2020, the Company:

- i) closed a non-brokered private placement of 6,000,000 units at a price of \$0.10 per unit for gross proceeds of \$600,000. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of \$0.15, expiring on or before December 11, 2021. The Company paid \$9,975 finder's fees.
- ii) issued 3,531,000 common shares pursuant to exercise of warrants for gross proceeds of \$518,600, and accordingly, the Company reallocated \$15,824 of contribution surplus to share capital.
- iii) issued 550,000 common shares pursuant to exercise of options for gross proceeds of \$60,500, and accordingly, the Company reallocated \$35,834 of contribution surplus to share capital.
- iv) closed a non-brokered private placement of 8,166,667 units at a price of \$0.15 per unit for aggregate gross proceeds of \$1,225,000. Each unit is comprised of one common share and one half of share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of \$0.25, expiring on or before June 9, 2022. The Company paid share issuance costs of \$63,980 cash.

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5. SHARE CAPITAL (continued)

c) Issued and Outstanding (continued)

- v) issued 500,000 common shares with a value of \$170,000 pursuant to the acquisition for the Copperview Property (Note 4).
- vi) issued 500,000 common shares with a value of \$120,000 pursuant to the acquisition for the Conglin Creek Copper Property (Note 4).
- vii) issued 100,000 common shares with a value of \$17,000 pursuant to the acquisition for the Deadman Property (Note 4).
- viii) issued 2,000,000 common shares with a value of \$360,000 pursuant to the acquisition for the Jewel Ridge Property (Note 4).

d) Stock options

The Company adopted a Stock Option Plan (the “Plan”). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12 month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

During the period ended May 31, 2021, the Company:

- i) granted 3,050,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.45, expiring on or before March 9, 2023. The fair value of these options was calculated to be \$790,000.
- ii) Granted 100,000 stock options to a director of the Company at an exercise price of \$0.45, expiring on or before April 14, 2023. The fair value of these options was calculated to be \$25,400.
- iii) granted 150,000 stock options to consultants of the Company at an exercise price of \$0.45, expiring on or before April 20, 2023. The fair value of these options was calculated to be \$29,700.
- iv) granted 200,000 stock options to a consultant of the Company at an exercise price of \$0.45, expiring on or before May 6, 2023. The fair value of these options was calculated to be \$42,900.
- v) granted 100,000 stock options to consultants of the Company at an exercise price of \$0.45, expiring on or before May 19, 2023. The fair value of these options was calculated to be \$26,000.

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5. SHARE CAPITAL (continued)

d) Stock options (continued)

During the year ended November 30, 2020, the Company:

- i) granted 150,000 stock options to a consultant of the Company at an exercise price of \$0.17, expiring on or before December 7, 2021. The fair value of these options was calculated to be \$18,300.
- ii) granted 250,000 stock options to a director of the Company at an exercise price of \$0.15, expiring on or before February 20, 2022. The fair value of these options was calculated to be \$24,700.
- iii) granted 300,000 stock options to a director and consultants of the Company at an exercise price of \$0.15, expiring on or before March 3, 2022. The fair value of these options was calculated to be \$25,800.
- iv) granted 125,000 stock options to consultants of the Company at an exercise price of \$0.10, expiring on or before April 22, 2021. The fair value of these options was calculated to be \$5,900.
- v) granted 100,000 stock options to a consultant of the Company at an exercise price of \$0.185, expiring on or before May 20, 2022. The fair value of these options was calculated to be \$13,200.
- vi) granted 100,000 stock options to a consultant of the Company at an exercise price of \$0.17, expiring on or before June 1, 2021. The fair value of these options was calculated to be \$6,800.
- vii) granted 550,000 stock options to a director and consultants of the Company at an exercise price of \$0.175, expiring on or before June 10, 2022. The fair value of these options was calculated to be \$70,900.
- viii) granted 200,000 stock options to a consultant of the Company at an exercise price of \$0.21, expiring on or before July 7, 2021. The fair value of these options was calculated to be \$16,900.
- ix) granted 100,000 stock options to a consultant of the Company at an exercise price of \$0.25, expiring on or before July 30, 2021. The fair value of these options was calculated to be \$9,600.
- x) granted 50,000 stock options to a consultant of the Company at an exercise price of \$0.25, expiring on or before August 19, 2021. The fair value of these options was calculated to be \$5,400.
- xi) granted 150,000 stock options to a consultant of the Company at an exercise price of \$0.25, expiring on or before September 17, 2021. The fair value of these options was calculated to be \$19,600.

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5. SHARE CAPITAL (continued)

d) Stock options (continued)

A summary of change in stock options is as follows:

	Number	Weighted average exercise price
Balance, November 30, 2019	1,075,000	\$ 0.11
Issued	2,075,000	0.18
Exercised	(550,000)	0.11
Cancelled	(125,000)	0.17
Balance, November 30, 2020	2,475,000	0.16
Issued	3,600,00	0.45
Exercised	(975,000)	0.13
Cancelled	(200,000)	0.18
Balance, May 31, 2021	4,900,000	\$ 0.38

As at May 31, 2021, the following options were outstanding and exercisable:

	Number	Exercise price
July 7, 2021	100,000	\$ 0.21
July 30, 2021	100,000	\$ 0.25
December 6, 2021	75,000	\$ 0.17
March 3, 2022	225,000	\$ 0.15
May 20, 2022	100,000	\$ 0.185
June 10, 2022	200,000	\$ 0.175
September 12, 2022	400,000	\$ 0.11
March 9, 2023	3,050,000	\$ 0.45
April 14, 2023	100,000	\$ 0.45
April 23, 2023	150,000	\$ 0.45
May 6, 2023	200,000	\$ 0.45
May 19, 2023	100,000	\$ 0.45
December 14, 2023	100,000	\$ 0.10
Total outstanding	4,900,000	

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5. SHARE CAPITAL (continued)

d) Stock options (continued)

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model during the periods ended May 31, 2021 and 2020, respectively, are as follows:

	May 31, 2021	May 31, 2020
Exercise price	\$ 0.45	\$ 0.17
Risk-free interest rate	0.28%	1.07%
Expected life of options	2.00 years	1.87 years
Dividend rate	0.00%	0.00%
Annualized volatility	131.77%	150%

e) Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number	Weighted average exercise price
Balance, November 30, 2019	350,000	\$ 0.10
Issued	10,083,333	0.19
Exercised	(3,531,000)	0.15
Balance, November 30, 2020	6,902,333	0.21
Issued	12,077,802	0.60
Exercised	(1,589,000)	0.18
Balance, May 31, 2021	17,391,135	\$ 0.48

As at May 31, 2021, the following warrants were issued and outstanding:

	Number	Exercise price
December 11, 2021*	1,745,000	\$ 0.15
June 9, 2022**	3,568,333	\$ 0.25
March 5, 2023	11,172,701	\$ 0.60
March 5, 2023	905,101	\$ 0.60
Total outstanding	17,391,135	

*50,000 warrant subsequently exercised

**340,000 warrant subsequently exercised

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5. SHARE CAPITAL (continued)

e) Warrants (continued)

The Company uses the Black-Scholes option pricing model to estimate the fair value for all broker's warrants to determine share issuance costs. The weighted average assumptions used in this pricing model during the periods ended May 31, 2021 and 2020, respectively, are as follows:

	May 31, 2021	May 31, 2020
Exercise price	\$ 0.60	\$ -
Risk-free interest rate	0.30%	-
Expected life of options	2.00 years	-
Dividend rate	0.00%	-
Annualized volatility	131.31%	-

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management is comprised of the Company's directors and executive officers. The Company has incurred the following key management personnel cost from related parties:

	Six month period ended May 31, 2021		Six month period ended May 31, 2020	
Management fees	\$	100,000	\$	90,000
Share-based payments		323,269		17,400
Total	\$	423,269	\$	107,400

During the period ended May 31, 2021, the Company:

- i) paid or accrued management fees of \$100,000 (2020 - \$90,000) to a company owned by CEO and CFO of the Company, for management services provided by the officers.
- ii) granted 1,250,000 (2020 – 250,000) stock options to its directors resulting in share-based compensation of \$323,269 (2020 - \$17,400).

Included in accounts payable and accrued liabilities at May 31, 2021 is \$716 (November 30, 2020 - \$Nil) owed to companies owned by officers of the Company.

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7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

There was no change in management of capital during the period ended May 31, 2021.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company is required to disclose the inputs used in fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's receivables and accounts payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

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8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.

10. SUBSEQUENT EVENTS

Subsequent to May 31, 2021, the Company issued 390,000 common shares pursuant to the exercise of warrants for gross proceeds of \$92,500.