Spark Minerals Inc.

Condensed Interim Financial Statements

For the Three and Nine Month Periods Ended September 30, 2021

(Unaudited)

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Spark Minerals Inc.
Condensed Interim Statement of Financial Position
(Unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current		
Cash	$ 308,869	$ 2,495
Accounts Receivable	40,540	24,472
Prepaid expenses	2,511	973
Due from related party	-	500,000
	351,920	528,390
Exploration and evaluation assets (Note 5)	461,382	330,132
	$ 813,302	$ 858,522
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 4)	$ 219,000	$ 70,254
Due to related parties (Note 4)	88,260	65,932
Flow-through share premium liability (Note 6)	75,974	127,000
	383,234	263,186
Shareholders' Equity		
Share capital (Note 6)	567,613	567,613
Warrant reserve (Notes 6 & 7)	130,673	130,673
Share option reserve (Note 8)	2,697	737
Deficit	(270,915)	(103,687)
	430,068	595,336
	$ 813,302	$ 858,522

On behalf of the Directors:

"Mathew Allas (s) Director

"Steve Cummings" (s) Director

Going Concern (Note 2)
Commitments (Note 10)
Material Uncertainty due to COVID-19 (Note 12)

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

Spark Minerals Inc.
Condensed Interim Statement of Changes in Equity
(Unaudited)

For the nine month period ended September 30	Number of shares		Share capital		Warrant reserve		Share option reserve		Deficit		Total equity
Balance, December 31, 2019	20,000,000	$	286	$	-	$	-	$	(7,839)	$	(7,553)
Net loss and comprehensive loss	-		-		-		-		(5,940)		(5,940)
Balance, September 30, 2020	20,000,000	$	286	$	-	$	-	$	(13,779)	$	(13,493)

	Number of shares		**Share capital**		**Warrant reserve**		**Share option reserve**		**Deficit**		**Total equity**
Balance, December 31, 2020	**24,500,000**	**$**	**567,613**	**$**	**130,673**	**$**	**737**	**$**	**(103,687)**	**$**	**595,335**
Net loss and comprehensive loss	**-**		**-**		**-**		**-**		**(167,227)**		**(167,227)**
Stock based compensation (Note 8)	**-**		**-**		**-**		**1,960**		**-**		**1,960**
Balance, September 30, 2021	**24,500,000**	**$**	**567,613**	**$**	**130,673**	**$**	**2,697**	**$**	**(270,915)**	**$**	**430,068**

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

Spark Minerals Inc.
Condensed Interim Statement of Comprehensive Loss
(Unaudited)

	Three month period ended Sept. 30, 2021	Nine month period ended Sept. 30, 2021	Three month period ended Sept. 30, 2020	Nine month period ended Sept. 30, 2020
Operating expenses				
Professional fees	$ 53,011	$ 184,752	$ -	$ -
Administrative fees (Note 4)	7,500	22,500	7,500	12,500
Supplies	264	577	-	-
Listing fees	-	-	-	-
Bank charges	20	135	-	-
Insurance	427	1,075	-	-
Repairs and Maintenance	-	3,377	-	-
Meals and Entertainment	719	719	-	-
Memberships and licenses	118	5118	401	401
	62,059	218,253	7,901	13,841
Loss before other income	(62,059)	(218,253)	(7,901)	(13,841)
Settlement of flow-through share premium liability (Note 6)	19,878	51,026	-	-
Net loss and comprehensive loss	$ (42,181)	$ (167,227)	$ (7,9014)	$ (13,841)
Loss per share				
Basic and diluted (in Canadian cents)	$ (0.17)	$ (0.68)	$ (0.03)	$ (0.03)

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

Spark Minerals Inc.
Condensed Interim Statement of Cash Flows
(Unaudited)

For the nine month period ended September 30	2021	2020
Cash flows from operating activities		
Net loss and comprehensive loss	$ **(167,227)**	$ (87,098)
Stock based compensation		
Adjustments for non-cash items	-	16,250
Settlement of flow-through share premium liability	**(51,026)**	-
	(218,253)	(70,848)
Changes in non-cash working capital:		
HST receivable	**(63,366)**	(24,472)
Prepaid expenses	**(1,538)**	(973)
Accounts payable and accrued liabilities (a)	**226,833**	64,136
	(56,275)	(32,157)
Cash flows from investing activities		
		(55,646)
Investments in exploration and evaluation property (a)	**(180,131)**	
Exploration and evaluation property grants received	**48,881**	26,250
Decrease in due from related party	**500,000**	186
	368,750	(29,210)
Cash flows from financing activity		
Repayment of due to related parties	**(6,551)**	64,312
Net increase in cash	**305,924**	2,945
Cash, beginning of the period	**2,945**	-
Cash, end of the period	$ **308,869**	$ 2,945

(a) Non-cash investing activity (Note 5)

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

1. Nature of Operations

Spark Minerals Inc. (the "Company") is a corporation domiciled in Canada, provincially incorporated under the Nova Scotia Business Registrations Act on August 22, 2017. The address of the Company's registered head office is 49 Queen Street, Chester Nova Scotia.
The Company is in the business of acquiring, exploring and developing mineral properties in Atlantic Canada, primarily those containing iron ore, copper, gold and associated base and precious metals. The Company is in the process of exploring its exploration and evaluation properties and has not yet determined whether they contain reserves that are economically recoverable.

2. Going Concern

These condensed interim financial statements have been prepared on a going concern basis, which assume 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 in the normal course of business for the foreseeable future. The Company has made an assessment of its ability to continue as a going concern and as set out below there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

At September 30, 2021, the Company had no source of operating cash flow. Operations have been funded from the issuance of share capital. As the Company is in the exploration stage, the recoverability amounts for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying mining claims, the ability of the Company to raise adequate financing to complete their development, and upon future profitable production or proceeds from the disposition thereof. The carrying value of exploration and evaluation assets represents net costs to date and do not necessarily represent present or future recoverable values.

These condensed interim financial statements do not reflect the material adjustments to carrying values of assets and liabilities, and the reported expenses, that would be necessary if the going concern assumption was inappropriate.

3. Basis of Preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements in accordance with International Financial Reporting Standards and IAS as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively, "IFRSs") and should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2020.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. All of the Company's operations are within the mineral exploration sector and related to mining claims of the Cobequid Highlands Project near Londonderry, Nova Scotia, thus representing a single operating segment. As the Company is in the exploration stage of its operations and not actively selling precious metals, there are limited seasonal impacts on the Company's operations.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on November 30, 2021.

These condensed interim financial statements have been prepared on a historical cost basis, unless otherwise noted in the notes to the Company's annual audited financial statements for the year ended December 31, 2020. All significant accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2020.

Critical judgements in applying significant accounting policies

The preparation of financial statements in compliance with adopted IAS 34 requires the use of certain critical accounting estimates. It also requires the Company to exercise judgement in applying its significant accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts are disclosed in the notes to the Company's annual audited financial statements for the year ended December 31, 2020. There have been no material changes to the estimates and assumptions reported in the annual audited financial statements for the year ended December 31, 2020.

4. Related Party Balances and Transactions

Due to Related Parties

Amounts due to related parties are non-interest bearing, unsecured, and with no fixed terms of repayment:

	September 30, 2021	December 31, 2020
Maximos Metals Corp. ("Maximos"), shareholder	**$ 77,520**	$ 55,192
21Alpha Resources Inc. ("21Alpha"), shareholder	**10,740**	10,740
	$ 88,260	$ 65,932

In addition to the due to related parties balances, accounts payable and accrued liabilities includes $25,875 (December 31, 2020 - $nil) payable to Maximos and $7,590 (December 31, 2020 - $3,401) payable to Directors of the Company.
As a result of changes to the 2020 (amended) audited financial statements, the company is this period the company is recognizing an HST recoverable of $22,500 and an offsetting accounts payable to Maximos for addition E&E services performed in 2020.

Related Party Transactions

During the periods, the Company had the following transactions with related parties:

	Three month period ended Sept. 30, 2021	**Nine month period ended Sept. 30, 2021**	Three month period ended Sept. 30, 2020	Nine month period ended Sept. 30, 2020
Administrative expenses charged by Maximos	**$ 7,500**	**$ 22,500**	$ 7,500	$ 12,500
Geological services charged by wholly-owned subsidiaries of Directors of the Company (Note 5)	**8,800**	**40,660**	80	80
HST owing to Maximos resulting from prior year adjustment	**22,500**	**22,500**	-	-
Purchase of mining claims registrations from 21Alpha (Notes 5 & 11)	**-**	**-**	18,169	18,169

Details of compensation paid to the Directors during the periods are disclosed in Note 9.

5. Exploration and Evaluation Assets

The following summarizes the Company's exploration and evaluation asset costs during the period.

	Nine month period ended September 30, 2021
Balance, beginning of period	**$ 330,132**
Mining claims registrations purchased (Note 4)	**13,140**
Drilling costs	**48,720**
Supplies	**1,182**
Geological costs (Note 4)	**117,088**
Grants received towards drilling costs	**(48,881)**
Balance, end of period	**$ 461,382**

The following summarizes the Company's exploration and evaluation assets as at period end:

	September 30, 2021		December 31, 2020
	Cost	**Impairment**	Carrying Value
Mining claims registration	**$ 32,329**	**$ -**	$ 19,189
Drilling	**76,394**	**-**	27,674
Supplies	**1,182**	**-**	-
Geological	**426,608**	**-**	309,519
Grants received	**(75,131)**	**-**	(26,250)
	461,382	**-**	330,132

The share options (Note 8) are held by a director providing services related to the exploration and evaluation assets. Accordingly, the $653 and $1,960 of stock based compensation recognized in share option reserve for the Three and Nine Month periods ended September 30, 2021, respectively (Three and Nine Month periods ended September 30, 2020 - $nil) was capitalized to the exploration and evaluation assets.

6. Share Capital

Authorized capital:

Unlimited common shares without nominal or par value

Issued and outstanding shares:

		September 30, 2021		December 31, 2020
24,500,000 (Dec. 31, 2020 - 24,500,000) common shares	$	567,613	$	567,613

Flow-Through Shares and Flow-Through Share Premium Liability

On December 30, 2020, the Company closed a non-brokered private placement of 2,500,000 flow-through units ("FT units") at a price of $0.20 per FT unit, for total consideration of $500,000 (the "private placement"). Each FT unit consists of one flow-through common share ("FT share") and one common share purchase warrant ("warrant"). Each warrant is exercisable at $0.25 until the expiry date on the third anniversary of issuance (Note 7).

Of the $500,000 from the private placement, $127,000 relates to the premium paid by investors for the flow-through feature of the FT shares, which was initially recognized as a liability. The Company's initial obligation was to spend $500,000 on Canadian Exploration Expenses ("CEE"). $56,316 and $180,130 was spent on CEE during the Three and Nine Month periods ended September 30, 2021, respectively. As a result of these CEE expenditures during the periods, the Company recognized $19,878 and $51,026 of income during the Three and Nine Month periods ended September 30, 2021, respectively. The remaining flow-through share premium liability balance of $75,974 as at September 30, 2021 (December 31, 2020 - $127,000) represents the Company's remaining obligation to spend $319,870 (December 31, 2020 - $500,000) on CEE. The Company has sufficient deferred tax assets to offset the CEE expenditures; therefore, no deferred tax liability has been recognized in respect of the foregone tax deductions.

The other $373,000 from the private placement was recognized as equity; $130,673 to the warrant reserve in relation to the warrant attached to each FT unit (Note 7) and $242,327 to share capital.

7. Warrants

	Three and Nine Month Periods Ended September 30, 2021	
	Number of warrants	Weighted average exercise price
Balance, December 31, 2020 (Note 6)	2,500,000	$ 0.50
Issued	-	-
Forfeited	-	-
Exercised	-	-
Balance, September 30, 2021	**2,500,000**	**$ 0.50**

There were no warrants issued or outstanding during the three and nine month periods ended June 30, 2020.

All outstanding warrants were exercisable as at September 30, 2021 and expire on December 31, 2023.

8. Stock Based Compensation

On September 30, 2020, the Company granted a director 360,000 total common share options with an exercise price of $0.025 each, in three tranches, in exchange for providing the Company with services (to be) rendered over the period from September 30, 2020 to September 30, 2023. Tranche 1 (120,000 options) vests on September 30, 2021, tranche 2 (120,000 options) vests on September 30, 2022, and tranche 3 (120,000 options) vests on September 30, 2023. All three tranches expire September 30, 2025.

The total cost of $653 and $1,960 recognized for these options during the Three and Nine Month periods ended September 30, 2021, respectively (Three and Nine Month periods ended June 30, 2020 - $nil) was added to share option reserve and capitalized to exploration and evaluation assets (Note 5).

None of the options were exercisable as at September 30, 2021. The remaining contractual lives of the stock options as at September 30, 2021 are as follows:

Tranche 1 (120,000 options)	Vested	4.0 years to expiry
Tranche 2 (120,000 options)	1.0 years to vesting	4.25 years to expiry
Tranche 3 (120,000 options)	2.0 years to vesting	4.25 years to expiry

9. Director Compensation

Compensation provided to Directors of the Company during the periods consists of the geological service compensation described in Note 5 and stock based compensation described in Note 8.

No other forms of compensation were paid to Directors of the Company during the three and nine month periods ended September 30, 2021 and 2020.

10. Commitments

As part of the purchase of certain mining claims from 21Alpha during the three month period ended June 30, 2020 (Note 4), the Company entered into a royalty agreement with Maximos, John Shurko Inc. ("JSI"), and Gravel Developments Inc. ("Gravel") on April 30, 2020, to pay a 2% perpetual royalty on the return of economic resources found at these mining sites (the "Royalty Agreement"). Under the terms of the Royalty Agreement, the 2% perpetual royalty will be split on the basis of 65.0% to Maximos, 17.5% to JSI, and 17.5% to Gravel.

As at September 30, 2021, a reasonable estimate cannot be made of the amount of the future royalty payments. As such, no provision has been made in these condensed interim financial statements.

10. Commitments

As part of the purchase of certain mining claims from 21Alpha during the three month period ended June 30, 2020 (Note 4), the Company entered into a royalty agreement with Maximos, John Shurko Inc. ("JSI"), and Gravel Developments Inc. ("Gravel") on April 30, 2020, to pay a 2% perpetual royalty on the return of economic resources found at these mining sites (the "Royalty Agreement"

11. Financial Instruments - Risk Management

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's flexibility.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk in respect of its HST receivable. The Company does not believe its exposure to credit risk is significant, as the balance is due from Canada Revenue Agency.

Credit risk also arises from cash balances on deposit with banks and financial institutions. The Company only uses reputable Canadian financial institutions in order to mitigate its exposure to credit risk on cash balances.

This risk has decreased from the prior period as a result of collecting the due from related party balance that was outstanding as at December 31, 2020.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and amounts due to related parties.

As at both September 30, 2021 and December 31, 2020, all accounts payable and accrued liabilities had contractual maturities within the next 12 months and due to related parties had no fixed terms of repayment.

The Company's approach to managing liquidity is to ensure, as a far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

The Company’s ability to obtain funding from external sources may be restricted if the Company’s financial performance and condition deteriorate. This includes a decline in the expected economic recovery from exploration and evaluation assets inhibiting the Company's ability to obtain funding from external sources.

This risk has increased from the prior period due to increased current liabilities and decreased current assets.

11. Financial Instruments - Risk Management (continued)

Capital

The Company monitors its capital, which comprises all components of equity. The Company's objectives when maintaining capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide a return for shareholders and benefits for other stakeholders. The Company did not raise any further capital during the nine month period ended September 30, 2021, as capital raised from the issuance of FT units on December 30, 2020 (Note 6) was still being utilized to fund operations.

12. Material Uncertainty due to COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of COVID-19. The Company has been able to continue work on its exploration and evaluation assets during the pandemic. The mining industry in Canada has been significantly impacted by COVID-19, mainly relating to the inability of junior mining companies to access their mining sites during travel restrictions imposed in various provinces. However, mineral production and mineral exploration was deemed an essential service in several provinces, allowing for operations to continue within certain parameters. The economic climate created by COVID-19 has also led to volatility in the price of precious metals, including gold and copper, which could impact the future recoverability of mineral resources. As of the date of issuing the financial statements, the ongoing duration and impact of COVID-19 is unknown. It is not possible for the Company to reliably estimate any impacts of COVID-19 on the recoverability of its exploration and evaluation assets or its future financial results and position, at this time.

13. Subsequent events

Subsequent to the nine month period ending September 30,2021, the company completed a transaction with Mongoose Mining Ltd. (MNG) that will result in a reverse takeover of the Mongoose by the shareholders of Spark. The completion of the transaction was subject to completion of due diligence and regulatory body approvals. The transaction closed on November 10, 2021.

As a condition of the transaction Spark completed the closing of a non-brokered private placement of 1,904,000 subscription receipts at a price of $0.25 per subscription receipt raising gross proceeds of $476,000.