MANNING VENTURES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2021

Unaudited

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

MANNING VENTURES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

		August 31, 2021		**November 30, 2020**
ASSETS				
Current				
Cash	$	1,284,636	$	410,000
Prepaid expenses		210,917		593
Accounts receivable		9,331		1,284
		1,504,884		411,877
Exploration and evaluation assets (Note 4)		6,531,518		196,739
	$	**8,036,402**	**$**	**608,616**
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	52,300	$	55,188
EQUITY				
Share capital (Note 5)		7,488,407		856,635
Contributed surplus (Note 5)		2,004,456		22,097
Deficit		(1,508,761)		(325,304)
		7,984,102		553,428
	$	**8,036,402**	**$**	**608,616**

Nature and continuance of operations (Note 1)
Commitments (Note 9)
Subsequent events (Note 10)

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

*Alexander Klenman*_______
Directors

*Christopher Cooper*_______
Director

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

MANNING VENTURES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	Three months ended August 31		Nine months ended August 31	
	2021	2020	**2021**	2020
EXPENSES				
Consulting	**$ 158,300**	$ -	**$ 353,572**	$ -
Directors' fee	**15,000**	-	**35,000**	-
Filing	**5,073**	3,730	**29,857**	9,490
Investor relations	**7,682**	504	**122,952**	1,504
Marketing	**650**	-	**15,054**	-
Office and administration (Note 6)	**15,571**	15,015	**47,963**	45,115
Professional fees	**40,591**	5,979	**51,558**	6,595
Stock based compensation	**(137,691)**	-	**825,245**	-
Transfer agent	**7,224**	1,240	**12,286**	12,092
TOTAL EXPENSES	**112,400**	26,468	**1,493,487**	74,796
OTHER INCOME				
Gain on debt settlement	**-**	-	**-**	(1,216)
Foreign exchange	**132**	-	**404**	-
Gain on acquisition of subsidiary	**(20,814)**	-	**(310,434)**	-
Loss and comprehensive loss	**$ 91,718**	$ 26,468	**$ 1,183,457**	$ 73,580
Basic and diluted loss per share	**$ 0.002**	$ 0.001	**$ 0.029**	$ 0.004
Weighted average number of shares outstanding	**47,238,399**	18,085,000	**40,987,657**	18,067,073

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

MANNING VENTURES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of shares		Share capital		Contributed Surplus		Deficit		Total equity
Balance, November 30, 2019	**18,000,000**	**$**	**787,110**	**$**	**22,097**	**$**	**(204,192)**	**$**	**605,015**
Shares issued for debt	85,000		5,525		-		-		5,525
Loss for the year	-		-		-		(73,580)		(73,580)
Balance, August 31, 2020	**18,085,000**	**$**	**792,635**	**$**	**22,097**	**$**	**(277,772)**	**$**	**536,960**
Balance, November 30, 2020	**18,485,000**	**$**	**856,635**	**$**	**22,097**	**$**	**(325,304)**	**$**	**553,428**
Shares issued in private placement	10,067,906		1,269,518		185,313		-		1,454,832
Shares issued for mineral properties acquired with subsidiary	12,150,001		3,523,500		-		-		3,523,500
Shares issued for mineral properties	4,400,000		836,000		-		-		836,000
Warrants issued for mineral properties acquired with subsidiary	-		-		1,716,440		-		1,716,440
Shares issued on exercise of stock options	450,000		194,032		(104,032)		-		90,000
Shares issued on exercise of warrants	1,681,144		489,222		(321,110)		-		168,112
Shares issued on exercise RSU	800,000		319,500		(319,500)		-		-
Share based compensation	-		-		825,248		-		825,248
Loss for the year	-		-		-		(1,183,457)		(1,183,457)
Balance, August 31, 2021	**48,034,051**	**$**	**7,488,407**	**$**	**2,004,456**	**$**	**(1,508,761)**	**$**	**7,984,102**

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

MANNING VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	Nine months ended August 31,	
	2021	**2020**
OPERATING ACTIVITIES		
Net loss	$ (1,183,457)	$ (73,580)
Gain on debt settlement	-	(1,216)
Share based compensation	825,245	-
Gain on acquisition of subsidiary	(310,434)	-
Changes in working capital items:		
Accounts receivable	(8,047)	2,291
Accounts payable	(2,888)	(46,370)
Prepaid expenses	(210,324)	776
	(889,905)	(118,099)
INVESTING ACTIVITIES		
Exploration and evaluation properties	(207,950)	-
Acquisition of subsidiary	259,545	-
	51,595	-
FINANCING ACTIVITIES		
Shares issued for cash net of cash share issue costs	1,454,832	-
Cash received on exercise of warrants	168,114	-
Cash received on exercise of stock options	90,000	-
	1,712,946	-
Change in cash	874,636	(118,099)
Cash, beginning	410,000	547,041
Cash, end	$ 1,284,636	$ 428,942

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Manning Ventures Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on July 26, 2018. The address of the Company's corporate office and its principal place of business is 10th Floor, 595 Howe Street, Vancouver BC.

During the year ended November 30, 2019 the Company completed the Initial Public Offering ("IPO") and its shares were listed and commenced trading on the Canadian Securities Exchange on October 23, 2019 under the symbol "MANN".

During the nine months ended August 31, 2021 the Company acquired all the issued and outstanding securities of Wabush Iron Ore Inc. pursuant to the terms of a share exchange agreement dated February 24, 2021 between the Company, and Wabush and the securityholders of Wabush by issuing 11,150,001 shares of the Company. In addition, all outstanding unexercised warrants to acquire Wabush common shares pursuant to outstanding Wabush warrants were cancelled. In consideration for such disposition, the holders of Wabush warrants received one common share purchase warrant in the capital of the Company exercisable at $0.10. The Company issued an aggregate of 5,750,000 replacement warrants. In connection with the transaction, the Company also issued 1,000,000 common shares as a finder's fee.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

These financial statements have been prepared on the basis of accounting principles applicable to 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 business. At August 31, 2021, the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relies principally upon the support of creditors, related parties and issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors, which include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern.

Manning is reviewing potential projects to make another acquisition and expand its exploration base. The recent COVID-19 pandemic has caused significant and negative impact on the global financial market and attracting new investors to finance acquisition of mineral projects and exploration activities may prove difficult. The Company's exploration operations in Canada are budgeted to coincide with quarantine restrictions and will be resumed as soon as it is practical.

2. BASIS OF PREPARATION

Statement of Compliance

The Company prepared these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee ("IFRIC").

These interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* ("IAS 34"), using accounting policies which are consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual consolidated financial statements in compliance with IAS I *Presentation of Financial Statements* ("IAS 1").

Except as noted below, these interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual audited consolidated financial statements for the year ended November 30, 2020 and should be read in conjunction with those audited consolidated financial statements. These interim consolidated financial statements were approved by the Board of Directors and authorized for issue on October 15, 2021.

2. BASIS OF PREPARATION (continued)

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Wabush Iron Ore Inc. All significant inter-company balances and transactions have been eliminated upon consolidation.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

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

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

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of the accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, commodity tax recoverable, and subscriptions receivable. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. <u>Interest rate risk</u>
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Some of the Company's accounts payable are subject to interest on unpaid balances. Additionally, the Company holds cash balances in an interest-bearing bank account.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

ii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

iii. Foreign Currency Risk

The functional currency of Manning is the Canadian dollar. As of, May 31, 2021 had no financial assets and liabilities that were subject to currency translation risk.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

During the nine months ended August 31, 2021 and year ended November 30, 2020 the Company incurred the following exploration and evaluation costs related to the mineral properties:

	Squid Project	Flint Project	Hope Lake	Lac Simone	Hydro Project	Heart Lake	Broken Lake	Total
Balance, November 30, 2019	**$ 107,739**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 107,739**
Acquisition costs:								
Cash	5,000	20,000	-	-	-	-	-	25,000
Shares issued	16,000	48,000	-	-	-	-	-	64,000
Total addition to acquisition costs	$ 21,000	$ 68,000	$ -	$ -	$ -	$ -	$ -	$ 89,000
Total expenses during the year	$ 21,000	$ 68,000	$ -	$ -	$ -	$ -	$ -	$ 89,000
Balance, November 30, 2020	**$ 128,739**	**$ 68,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 196,739**
Acquisition costs:								
Cash	-	-	25,000	25,000	-	-	-	50,000
Shares issued	-	-	2,409,134	2,409,134	419,224	419,224	419,224	6,075,940
Total addition to acquisition costs	$ -	$ -	$ 2,434,134	$ 2,434,134	$ 419,224	$ 419,224	$ 419,224	$ 6,125,940
Exploration costs								
Assays	-	3,257	-	-	-	-	-	3,257
Administration	-	-	1,069	973	-	-	-	2,042
Claim maintenance	-	-	34,307	3,427	-	-	-	37,734
Field supplies	-	-	5,330	5,303	-	-	215	10,848
Geological	-	6,076	29,818	29,790	122	122	4,604	70,532
Travel	-	896	70,692	12,469	-	-	369	84,426
Total addition to exploration costs	$ -	$ 10,229	$ 141,216	$ 51,962	$ 122	$ 122	$ 5,188	$ 208,839
Total expenses during the period	$ -	$ 10,229	$ 2,575,350	$ 2,486,096	$ 419,346	$ 419,346	$ 424,412	$ 6,334,779
Balance, August 31, 2021	**$ 128,739**	**$ 78,229**	**$ 2,575,350**	**$ 2,486,096**	**$ 419,346**	**$ 419,346**	**$ 424,412**	**$ 6,531,518**

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Squid project

On September 26, 2018 the Company signed an Option Agreement to purchase 75% interest in Squid East Mineral Property (Squid) located in the Dawson Mining District, Yukon, Canada. The agreement was amended on November 25, 2020. As consideration for the amendment to the Option Agreement, the Company paid $5,000 subsequent to the year-end and issued 100,000 common shares to the optionor on November 25, 2020. Under the terms of the amended agreement, the Company must:

(a) issue a total of 800,000 common shares and pay $55,000 in cash as follows:
  i. issue 600,000 shares (issued) and pay $35,000 (paid) on or before the date the Company becomes a listed issuer;
  ii. issue 200,000 shares and pay $20,000 on or before December 31, 2021;

(b) Spend a total of $1,150,000 on exploration as follows:
  i. $50,000 by December 31, 2021;
  ii. $300,000 between January 1, 2022 and December 31, 2022 and
  iii. $700,000 between January 1, 2023 and December 31, 2023.

Upon earning a 75% interest in the property, the Company shall pay the optionor a net smelter returns Royalty ("NSR") of 3%, provided the Company may purchase 1/3 of the NSR for total consideration of $1,000,000 subject to certain conditions.

Beginning on May 31, 2021 and annually thereafter, the Company will make Annual Advance Minimum Royalty payment of $100,000 to optionor (AAMR). The AAMR and NSR payments will be adjusted annually according to the consumer price index with a base of May 31, 2021. The Company may deduct from NSR payments, if any, the aggregate total of all AMMR payments made in accordance with the Option Agreement.

b) Flint project

On November 25, 2020 the Company signed an Option Agreement to purchase 100% interest in Flint Mineral Property (Flint) located in the Kenora Mining District, Ontario, Canada. Under the terms of the amended agreement, the Company must:

(a) issue a total of 2,200,000 common shares and pay $145,000 in cash as follows:
  i. issue 300,000 shares (issued) and pay $20,000 (paid subsequent to the year-end) on the Option Agreement date;
  ii. issue 400,000 shares and pay $30,000 on or before November 25, 2021;
  iii. issue 500,000 shares and pay $40,000 on or before November 25, 2022 and
  iv. issue 1,000,000 shares and pay $55,000 on or before November 25, 2023.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Flint project (continued)

(b) Spend a total of $775,000 on exploration as follows:
   i. $75,000 on or before November 25, 2021;
   ii. $200,000 on or before November 25, 2022 and
   iii. $500,000 on or before November 25, 2023.

Upon earning a 100% interest in the property, the Company shall pay the optionor a net smelter returns Royalty ("NSR") of 1%, provided the Company may purchase 1/2 of the NSR for total consideration of $500,000 at any time.

c) Hope Lake and Lac Simone

In May 2021 the Company acquired all the issued and outstanding securities of Wabush Iron Ore Inc. pursuant to the terms of a share exchange agreement dated February 24, 2021 between the Company, and Wabush and the securityholders of Wabush by issuing 11,150,001 shares of the Company. In addition, all outstanding unexercised warrants to acquire Wabush common shares pursuant to outstanding Wabush warrants were cancelled. In consideration for such disposition, the holders of Wabush warrants received one common share purchase warrant in the capital of the Company exercisable at $0.10. The Company issued an aggregate of 5,750,000 replacement warrants. In connection with the transaction, the Company also issued 1,000,000 common shares as a finder's fee.

d) Broken Lake, Heart Lake, and Hydro properties

On May 25, 2021 the Company acquired Broken Lake, Heart Lake and Hydro Properties. The properties are located in the Province of Quebec and consist of 180 mineral claims totaling 9,501 hectares. In consideration for the acquisition the Company must:

i. issued 4,000,000 shares (issued);
ii. grant an aggregate of 4,000,000 common share purchase warrants, each of which is exercisable into one common share at an exercise price of $0.35 per warrant for a period of two years; and
iii. paid nominal cash consideration of $1.00.

In connection with the Acquisition, the Company issued 400,000 Common Shares to an arm's length finder as a finder's fee.

Expressed in Canadian Dollars

5. ASSET ACQUISITION

Acquisition of Wabush Iron Ore

During the nine months ended August 31, 2021 the Company acquired all of the outstanding issued shares of Wabush Iron Ore. issued 10,150,001 common shares with a fair value of $3,523,500 and 5,750,000 warrants with a fair value of $1,294,768. In addition, the Company issued 1,000,000 shares to finders of the property. Finders' warrants are exercisable at $0.35 per warrant until June 10, 2023. The fair value of the finders' shares was estimated to be $836,000 and warrants as $421,672. The value of the shares issued and warrants granted was allocated to mineral properties purchased with Wabush Iron Ore. The Company determined that Wabush does not constitute a business as defined under IFRS 3, Business Combinations, and the acquisition was accounted for as an asset acquisition. Aside from the exploration properties there were no intangible assets identified that met the recognition criteria under IFRS, therefore the excess of the consideration paid over the fair value of the monetary assets and liabilities assumed was expensed.

The details of the consideration paid and the assets and liabilities of Wabush Iron Ore is as follows:

Consideration paid:		
Fair value of shares issued (10,150,001 at $0.29)	$	3,233,500
Fair value of finders' shares (1,000,000 at $0.29)		290,000
Fair value of warrants granted		1,294,768
Total	$	4,818,268
Less: Value of net assets acquired		
Cash	$	259,544
Receivable		890
Mineral properties		50,000
Fair value of shares and warrants allocated to mineral properties		4,818,268
Net assets acquired	$	5,128,702
Gain on acquisition	$	310,434

6. SHARE CAPITAL

(a) Authorized:
The Company is authorized to issue an unlimited number of common shares without par value.

(b) Escrow Shares:

As at August 31, 2021, 90,000 shares are held in escrow.

6. SHARE CAPITAL (continued)

(c) As at August 31, 2021 the Company has 48,034,051 common shares issued and outstanding.

During the nine months ended August 31, 2021, the Company issued:

i. 12,150,001 shares for acquisition of Wabush Iron Ore Inc. The shares were issued at a price of $0.29 with the total value of $3,523,500.

   4,400,000 shares for acquisition of Broken Lake, Heart Lake and Hydro properties. The shares were issued at a price of $0.19 with the total value of $836,000.

ii. 800,000 shares were issued on exercise of restricted share units. The fair value of the restricted share units of $319,500 was transferred from contributed surplus to share capital;

ii. 10,067,906 units at a price of $0.15 for gross proceeds of $1,510,186. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.25 per until February 11, 2023. In connection with the private placement, the Company has paid finder's fees totaling $55,459 and issued an aggregate of 369,729 non-transferable finders' warrants. Each finders' warrant entitles the holder to purchase one share at a price of $0.25 per finders' Warrant Share until February 11, 2023. The fair value of the warrants of $185,313 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.55; exercise price – $0.25; expected life – two years; volatility – 211%; dividend yield – $nil; and risk-free rate – 0.19%.

i. 1,681,144 shares were issued on exercise of warrants at an exercise price of $0.10. The fair value of the warrants of $321,107 was transferred from contributed surplus to share capital.

ii. 450,000 shares were issued on exercise of stock options at an exercise price of $0.20. The fair value of the stock options of $104,032 was transferred from contributed surplus to share capital.

During the year ended November 30, 2020 the company issued:

i. 85,000 common shares to settle debt of $5,525;
ii. 300,000 shares for Flint mineral property (Note 4b));
iii. 100,000 shares for Squid mineral property (Note 4a)).

Expressed in Canadian Dollars

6. SHARE CAPITAL (continued)

(d) Share purchase warrants

In May 2021 the Company granted 5,750,000 warrants pursuant to share exchange agreement with the shareholders of Wabush Iron Ore Inc. (note 4(c)). The warrants are exercisable at $0.10 until December 31, 2022. The fair value of the warrants of $1,294,768 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.29; exercise price – $0.10; expected life – two years; volatility – 138%; dividend yield – $nil; and risk-free rate – 0.30%.

In June 2021 the Company granted 4,000,000 warrants for acquisition of Broken Lake, heart Lake and Hydro properties (note 4(d)). The warrants are exercisable at $0.10 until December 31, 2022. The fair value of the warrants of $421,672 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.19; exercise price – $0.35; expected life – two years; volatility – 136%; dividend yield – $nil; and risk-free rate – 0.31%.

On February 11, 2021 the Company granted 10,067,906 warrants with units in a private placement (note 5(c)). The warrants are exercisable at $0.25 for a period of two years. In addition, the Company issued 369,729 warrants to the finders in the private placement (Note 5(c)). Each warrant entitles the holder to acquire an additional common share for $0.25 per share for a two-year period. The fair value of the warrants of $185,313 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.55; exercise price – $0.25; expected life – two years; volatility – 211%; dividend yield – $nil; and risk-free rate – 0.19%.

During the nine months ended August 31, 2021 1,681,114 warrants were exercised at a price of $0.10. The fair value of the warrants of $321,107 was deducted from contributed surplus.

No warrants were issued during the year ended November 30, 2020.

As at August 31, 2021, the Company had warrants outstanding to acquire common shares of the Company as follows:

Expiry date		Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
October 24, 2021	$	0.10	56,856	0.15
December 31, 2022	$	0.10	3,000,000	1.33
January 27, 2023	$	0.10	1,275,000	1.41
February 11, 2023	$	0.25	10,437,635	1.45
June 10, 2023	$	0.35	4,000,000	1.78
Total			**18,769,491**	**1.49**

Expressed in Canadian Dollars

6. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

The following is a continuity of the Company's warrants for the nine months ended August 31, 2021 and year ended November 30, 2020:

	Number of Options	Weighted Average Exercise Price, CAD$
Balance, November 30, 2019	-	-
Granted	438,000	$ 0.10
Balance, November 30, 2020	438,000	$ 0.10
Granted	20,012,635	0.23
Exercised	(1,681,144)	0.10
Balance, August 31, 2021	**18,769,491**	**$ 0.24**

(e) Stock options

On January 20, 2021 the Company granted 1,050,000 stock options to directors, officers and consultants of the Company. The stock options are exercisable at $0.20 for a period of five years. The fair value of the stock options of $242,742 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.235; exercise price – $0.20; expected life – five years; volatility – 212%; dividend yield – $nil; and risk-free rate – 0.43%.

On January 22, 2021 the Company granted 450,000 stock options to consultants of the Company. The stock options are exercisable at $0.325 for a period of one years. The fair value of the stock options of $200,054 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.55; exercise price – $0.25; expected life – one year; volatility – 209%; dividend yield – $nil; and risk-free rate – 0.18%.

During the nine months ended August 31, 2021 450,000 stock options were exercised at a price of $0.20. The fair value of the stock options of $200,054 was deducted from contributed surplus.

As at August 31, 2021, the Company has 1,050,000 stock options outstanding exercisable at a price of $0.20 until January 20, 2026.

Expressed in Canadian Dollars

6. SHARE CAPITAL (continued)

(e) Stock options (continued)

The following is a continuity of the Company's stock options for the nine months ended August 31, 2021:

	Nine months ended August 31, 2021	
	Number of Options	**Weighted Average Exercise Price, CAD$**
Balance, beginning of period	-	$ -
Granted	1,500,000	0.24
Exercised	(450,000)	0.325
Balance, end of period	**1,050,000**	**$ 0.20**

As at August 31, 2021, the Company has 1,050,000 stock options with the life of 2.68 years outstanding.

(f) Restricted Share Units

The Company has a restricted share unit ("RSU") plan under which it may grant unlimited RSUs as long as RSU shares combined with any other compensation agreements do not exceed 10% of the Company's issued and outstanding shares. RSUs vest at a specified date and may be settled by the Company at any time after the vesting date and before the expiry date. The Company has the option to settle RSUs either by issuing one common share of the Company for each RSU, or by paying a cash amount equal to the fair market value of one common share of the Company as at the vesting date for each RSU.

The following is a continuity of RSUs for the nine months ended August 31, 2021:

	Nine months ended August 31, 2021 Number of RSUs
Balance, beginning of period	-
Granted	1,225,000
Exercised	(800,000)
Balance, end of period	**425,000**

7. KEY MANAGEMENT COMPENSATION AND 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 includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the nine months ended August 31, 2021 the Company paid $45,000 (2020 - $45,000) to key management and is included in office and administration expense. In addition, the Company paid $60,000 (2020 - $nil) to a director of the Company of which $45,000 were expensed as directors fee and $15,000 recorded as prepaid expense.

There were no accounts payable to related parties as at August 31, 2021 (November 30, 2020 - $nil).

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

8. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended August 31, 2021. The Company is not subject to externally imposed capital requirements.

9. COMMITMENTS

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