



MANNING VENTURES

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 2022 AND 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.
STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	February 28, 2022	November 30, 2021
	\$	\$
ASSETS		
Current		
Cash	1,795,113	2,009,023
Accounts receivable	9,191	4,670
Prepaid expenses	217,659	268,772
Total current assets	2,021,963	2,282,465
Exploration and evaluation assets (Note 4)	6,301,660	6,276,660
Total assets	8,323,623	8,559,125
LIABILITIES		
Current		
Accounts payable and accrued liabilities	188,559	205,427
Flow through share premium liability	219,783	219,783
Total liabilities	408,342	425,210
EQUITY		
Share capital (Note 6)	8,206,346	8,206,346
Contributed surplus (Note 6)	2,067,357	1,983,177
Deficit	(2,358,422)	(2,055,608)
Total equity	7,915,281	8,133,915
Total liabilities and equity	8,323,623	8,559,125

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 April 28, 2022

Alexander Klenman _____
Director

Christopher Cooper _____
Director

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

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

	Three months ended February 28,	
	2022	2021
	\$	\$
EXPENSES		
Consulting (Note 7)	162,505	36,272
Directors' fee	5,000	5,000
Filing	3,000	3,253
Insurance	5,700	-
Investor relations	2,912	40,241
Marketing	8,630	-
Office and administration	15,615	16,800
Professional fees	11,229	5,410
Stock based compensation	84,180	770,636
Transfer agent	3,934	1,636
TOTAL EXPENSES	302,705	879,248
OTHER LOSS		
Foreign exchange loss	109	21
Loss and comprehensive loss	302,814	879,269
Basic and diluted loss per share	0.029	0.043
Weighted average number of shares outstanding	54,798,967	20,683,500

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

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

	Number of shares	Share capital \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance, November 30, 2020	18,485,000	856,635	22,097	(325,304)	553,428
Shares issued in private placements	10,067,906	1,269,414	185,313	-	1,454,727
Shares issued on exercise of stock options	450,000	290,054	(200,054)	-	90,000
Shares issued on exercise of warrants	377,810	56,842	(19,061)	-	37,781
Stock based compensation	-	-	770,636	-	770,636
Loss for the period	-	-	-	(879,269)	(879,269)
Balance, February 28, 2021	29,380,716	2,472,945	758,931	(1,204,573)	2,027,303
Balance, November 30, 2021	54,798,967	8,206,346	1,983,177	(2,055,608)	8,133,915
Stock based compensation – Stock options granted	-	-	84,180	-	84,180
Loss for the period	-	-	-	(302,814)	(302,814)
Balance, February 28, 2022	54,798,967	8,206,346	2,067,357	(2,358,422)	7,915,281

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

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

	Three months ended February 28,	
	2022	2021
OPERATING ACTIVITIES	\$	\$
Net loss	(302,814)	(879,269)
Share based compensation	84,180	770,636
Changes in working capital items:		
Accounts receivable	(4,521)	(14,268)
Trade and other payables	(16,868)	7,514
Prepaid expenses	51,113	(356,374)
	(188,910)	(471,761)
INVESTING ACTIVITIES		
Exploration and evaluation assets – cash	(25,000)	-
	(25,000)	-
FINANCING ACTIVITIES		
Shares issued for cash net of cash share issue costs	-	1,454,727
Cash received on exercise of warrants	-	37,781
Cash received on exercise of stock options	-	90,000
	-	1,582,508
Change in cash	(213,910)	1,110,747
Cash, beginning	2,009,023	410,000
Cash, end	1,795,113	1,520,747

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

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the three months ended February 28, 2022 and 2021
Expressed in Canadian Dollars

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”.

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. As at February 28, 2022, the Company has not generated revenue or cash flow from operations to adequately fund its activities and 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. 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 VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the three months ended February 28, 2022 and 2021
Expressed in Canadian Dollars

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

Manning is reviewing potential projects to make additional acquisitions 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 acquisitions 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

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 1 *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, 2021 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 April 28, 2022.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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.

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instrument risk exposure and risk management (continued)

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 short-term nature of these financial instruments.

Financial instrument risk exposure and risk management

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.

(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.

MANNING VENTURES INC.
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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instrument risk exposure and risk management (continued)

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its 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. Interest rate risk

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.

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, November 30, 2021, had no financial assets and liabilities that were subject to currency translation risk.

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
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4. EXPLORATION AND EVALUATION ASSETS

During the three months ended February 28, 2022 and year ended November 30, 2021 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	Bounty Lithium	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, November 30, 2020	128,739	68,000	-	-	-	-	-	-	196,739
Acquisition costs:									
Cash	-	30,000	-	-	-	-	-	-	30,000
Shares issued	-	42,000	-	-	278,667	278,666	278,667	-	878,000
Warrants issued	-	-	-	-	140,557	140,557	140,558	-	421,672
Acquisition of Wabush (Note 6)	-	-	2,278,917	2,278,917	-	-	-	-	4,557,834
Total addition to acquisition costs	-	72,000	2,278,917	2,278,917	419,224	419,223	419,225	-	5,887,506
Exploration costs									
Assays	-	3,257	-	3,250	-	-	-	-	6,507
Surveying	-	71,847	-	-	-	-	-	-	71,847
Administration	-	-	1,069	1,654	-	-	-	-	2,723
Claim maintenance	-	-	34,307	3,427	-	-	-	-	37,734
Field supplies	-	-	5,330	20,339	-	-	215	-	25,884
Geological	-	6,877	36,021	43,272	122	122	5,619	-	92,033
Travel	-	895	70,693	12,469	-	-	369	-	84,426
Total addition to exploration costs	-	82,876	147,420	84,411	122	122	6,203	-	321,154
Total expenses during the year	-	154,876	2,426,337	2,363,328	419,346	419,345	425,428	-	6,208,660
Write-down of exploration and evaluation assets	(128,739)	-	-	-	-	-	-	-	(128,739)
Balance, November 30, 2021	-	222,876	2,426,337	2,363,328	419,346	419,345	425,428	-	6,276,660
Acquisition costs - cash	-	-	-	-	-	-	-	25,000	25,000
	-	222,876	2,426,337	2,363,328	419,346	419,345	425,428	25,000	6,301,660

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
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4. EXPLORATION AND EVALUATION ASSETS (continued)

Squid Project

On September 26, 2018 the Company signed an Option Agreement to purchase 75% interest in Squid East Mineral Property (the "Squid Project") 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 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.

As of November 30, 2021, the Company decided not to pursue the acquisition of the Squid Project and subsequent to the year-end, the Company terminated the option agreement. An amount of \$128,739 was recognized as an impairment loss for the write-down of exploration and evaluation assets for the year ended November 30, 2021.

Flint Project

On November 25, 2020 the Company signed an Option Agreement to purchase 100% interest in Flint Mineral Property (the "Flint Project") 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) on the Option Agreement date;
 - ii. issue 400,000 shares (issued) and pay \$30,000 (paid) 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.
- (b) Spend a total of \$775,000 on exploration as follows:
 - i. \$75,000 on or before November 25, 2021 (incurred);
 - 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 Flint Project, 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.

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the three months ended February 28, 2022 and 2021
Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

Hope Lake and Lac Simone

On February 24, 2021, the Company entered into a Share Exchange Agreement to acquire 100% of the issued and outstanding securities, including dilutive securities, of Wabush Iron Ore Inc. (Notes 5 and 6). Wabush is the beneficial owner of 100% interest in the Hope Lake Project and the Lac Simone Project located in the Province of Quebec.

Broken Lake, Heart Lake, and Hydro properties

On May 25, 2021 the Company entered into a Property Purchase and Sale Agreement to acquire an undivided 100% legal, beneficial, and registered interest in the Broken Lake property, Heart Lake property and Hydro property (collectively, the "Properties"). The Properties are located in the Province of Quebec. In consideration for the acquisition the Company must:

- i. issue 4,000,000 shares (issued);
- ii. issue 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 (issued); and
- iii. pay nominal cash consideration of \$1.00 (paid).

In connection with the acquisition of the Properties, the Company issued 400,000 common shares to an arm's length finder as a finder's fee (Note 6).

Bounty Lithium

As at December 15, 2021, the Company entered into a property acquisition agreement to acquire an undivided 100% legal, beneficial, and registered right, title and interest in and to the Bounty Lithium Property, subject to a 2% NSR royalty on the Property to the benefit of SCD Investment Corp., the Company made a cash payment of \$25,000 as directed by SCD Investment Corp.

5. ACQUISITION OF WABUSH IRON ORE

On February 24, 2021, the Company entered into a Share Exchange Agreement to acquire 100% of the issued and outstanding securities, including dilutive securities, of Wabush Iron Ore Inc. On May 4, 2021, the Company issued 11,150,001 common shares to Wabush shareholders and 5,575,000 replacement warrants, each replacement warrant entitles the holder to purchase one common share of the Company, to Wabush warrant holders. In connection to the Share Exchange Agreement, the Company issued 1,000,000 common shares as a finder's fee (note 6).

Wabush is an arm's length company solely focusing on acquisition and exploration of mineral property.

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the three months ended February 28, 2022 and 2021
Expressed in Canadian Dollars

5. ACQUISITION OF WABUSH IRON ORE (continued)

The acquisition of Wabush was not considered a business combination as defined in IFRS 3. As a result, the acquisition has been accounted as an asset acquisition.

	\$
Consideration paid:	
Fair value of common shares issued	3,233,500
Fair value of finder's shares	290,000
Fair value of warrants issued	1,294,768
Total	4,818,268
 Net assets acquired	
Cash	283,035
Receivable	890
Exploration and evaluation assets (note 4)	4,557,834
Accounts payable	(23,491)
Net assets acquired	4,818,268

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 February 28, 2022, a total of 60,000 common shares are held in escrow.

(c) Share issuance:

As at February 28, 2022, the Company has 54,798,967 common shares issued and outstanding.

During the year ended November 30, 2021, the Company issued:

- i. On February 11, 2021, the Company closed a non-brokered private placement of 10,067,906 non-flow-through units at a price of \$0.15 per unit for gross proceeds of \$1,510,186. Each non-flow-through unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.25 per share until February 11, 2023. In connection with the private placement, the Company has paid finder's fees of \$55,355 and issued 369,729 non-transferable finders' warrants. Finders' warrants have the same terms as the unit warrants.
- ii. On May 4, 2021, the Company issued 12,150,001 common shares in connection with the Share Exchange Agreement with Wabush (Note 6).

MANNING VENTURES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the three months ended February 28, 2022 and 2021
Expressed in Canadian Dollars

6. SHARE CAPITAL (continued)

(c) Share issuance (continued)

- iii. On June 10, 2021, the Company issued 4,400,000 common shares related to the acquisition of the Properties (Note 6).
- iv. On October 22, 2021, the Company closed a non-brokered private placement of 6,279,500 flow-through units at a price of \$0.16 per unit for aggregate gross proceeds of \$1,004,720 (Notes 6). Each flow-through unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one non-flow-through share at a price of \$0.24 per share until October 22, 2024. In connection with the private placement, the Company has paid finder's fees of \$69,617 and issued 413,235 finders' warrants. Finders' warrants have the same terms as the unit warrants.
- v. On November 25, 2021, the Company issued 400,000 as a payment for the Flint Project (Note 6).
- vi. During the year ended November 30, 2021, 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 \$49,595 was transferred from contributed surplus to share capital.
- vii. During the year ended November 30, 2021, 1,724,560 shares were issued on exercise of warrants at an exercise price of \$0.10. The fair value of the warrants of \$323,297 was transferred from contributed surplus to share capital.
- viii. During the year ended November 30, 2021, 842,000 shares were issued on exercise of restricted share units. The fair value of the restricted share units of \$339,660 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 the Flint Project (Note 4);
- iii. 100,000 shares for the Squid Project (Note 4).

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6. SHARE CAPITAL (continued)

(d) Share purchase warrants

On February 11, 2021, the Company issued 10,067,906 warrants with units in a private placement. The warrants are exercisable at \$0.25 for a period of two years. No value was allocated to these warrants under residual method of accounting for equity units.

On February 11, 2021, in connection to the private placement, the Company issued 369,729 warrants to the finders. 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 \$162,372 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 – 143%; dividend yield – \$nil; and risk-free rate – 0.176%.

On May 4, 2021, the Company issued 5,575,000 warrants pursuant to Share Exchange Agreement with the shareholders of Wabush Iron Ore Inc. (Note 6), of which 3,950,000 warrants are exercisable at \$0.10 per share until December 31, 2022, and 1,625,000 warrants exercisable at \$0.10 per share until January 27, 2023. The fair value of 3,950,000 warrants was \$915,740 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.29; exercise price – \$0.10; expected life – 1.66 years; volatility – 138%; dividend yield – \$nil; and risk-free rate – 0.30%. The fair value of 1,625,000 warrants was \$379,028 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.29; exercise price – \$0.10; expected life – 1.73 years; volatility – 138%; dividend yield – \$nil; and risk-free rate – 0.30%.

On June 10, 2021, the Company issued 4,000,000 warrants related to the acquisition of the Properties (Note 5). The warrants are exercisable at \$0.35 per share until June 10, 2023. The fair value of the warrants was \$421,672 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 October 22, 2021 the Company issued 3,139,750 warrants with units in a private placement. The warrants are exercisable at \$0.24 for a period of 36 months. No value was allocated to these warrants under residual method of accounting for equity units.

On October 22, 2021, in connection with the private placement, the Company issued 413,235 warrants to the finders. Each finder's warrant will entitle the holder thereof to purchase one common share in the capital of the company at a price of \$0.24 for a period of 36 months from the date of issuance. The fair value of the warrants was \$34,576 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.125; exercise price – \$0.24; expected life – three years; volatility – 134%; dividend yield – \$nil; and risk-free rate – 1.072%.

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6. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

During the year ended November 30, 2021, a total of 1,724,560 warrants were exercised at a price of \$0.10. The fair value of the warrants of \$323,297 was deducted from contributed surplus.

As at February 28, 2022, 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)
	\$		
December 31, 2022	0.10	3,000,000	0.83
January 27, 2023	0.10	1,275,000	0.91
February 11, 2023	0.25	10,437,635	0.95
June 10, 2023	0.35	4,000,000	1.28
October 22, 2024	0.24	3,552,985	2.65
Total		22,265,620	1.29

The following is a continuity of the Company's warrants for the three months ended February 28, 2022 and year ended November 30, 2021:

	Number of Warrants	Weighted Average Exercise Price, CAD
		\$
Balance, November 30, 2020	438,000	0.10
Issued	23,565,620	0.23
Exercised	(1,724,560)	0.10
Expired	(13,440)	0.10
Balance, November 30, 2021	22,265,620	0.24
Issued or exercised	-	-
Balance, February 28, 2022	22,265,620	0.24

(e) Stock option

The Company has adopted a stock option plan under which it may grant total stock options that do not exceed 10% of the Company's issued and outstanding shares.

On February 22, 2022, the Company announce that it has granted an aggregate of 1,500,000 stock options (the "Options") to directors, officers, and an employee of the Company to purchase 1,500,000 common shares (the "Shares") in the capital of the Company pursuant to the Company's share option plan. The Options, which vest immediately, are exercisable at an exercise price of \$0.10 per Share for a period of two (2) years from the date of grant.

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6. SHARE CAPITAL (continued)

(e) Stock option (continued)

The fair value of the stock options was \$84,180 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.09; exercise price – \$0.10; expected life – two years; volatility – 127.86%; dividend yield – \$nil; and risk-free rate – 2.43%.

In January 2022, a total of 450,000 stock options expired unexercised.

On January 20, 2021, the Company granted 600,000 stock options to directors and officers of the Company. The stock options are exercisable at \$0.20 per share for a period of five years. The fair value of the stock options was \$124,786 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.235; exercise price – \$0.20; expected life – five years; volatility – 137%; dividend yield – \$nil; and risk-free rate – 0.43%.

On January 20, 2021, the Company granted 450,000 stock options to a consultant of the Company. The stock options are exercisable at \$0.20 per share for a period of one years. The fair value of the stock options was \$49,645 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.235; exercise price – \$0.20; expected life – one years; volatility – 111%; dividend yield – \$nil; and risk-free rate – 0.13%.

On January 22, 2021 the Company granted 450,000 stock options to consultants of the Company. The stock options are exercisable at \$0.325 per share for a period of one years. The fair value of the stock options was \$62,363 calculated using Black-Scholes option pricing model with the following assumptions: stock price – \$0.32; exercise price – \$0.325; expected life – one year; volatility – 116%; dividend yield – \$nil; and risk-free rate – 0.18%.

During the year ended November 30, 2021, a total of 450,000 stock options were exercised at a price of \$0.20 per share. The fair value of the stock options of \$49,595 was deducted from contributed surplus.

The following is a continuity of the Company's stock options for the three months ended February 28, 2022:

	Three months ended February 28, 2022	
	Number of Options	Weighted Average Exercise Price
		\$
Balance, beginning of the year	1,050,000	0.25
Granted	1,500,000	0.24
Expired	(450,000)	0.25
Balance, end of the year	2,100,000	0.24

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6. SHARE CAPITAL (continued)

(e) Stock option (continued)

As at February 28, 2022, the Company has 2,100,000 fully vested stock options with the life of 2.06 years outstanding.

(f) Restricted Share Units

The Company has adopted 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 three months ended February 28, 2022:

	Three months ended February 28, 2022 Number of RSUs
Balance, beginning of the period	383,000
Granted	-
Exercised	-
Balance, end of the period	383,000

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 three months ended February 28, 2022, the Company paid \$5,000 (February 28, 2021 - \$15,000) to a company controlled by a director of the Company, for consulting fee. In addition, the Company expensed \$5,000 directors fee previously recorded as prepaid expense and incurred \$600 consulting fee owed to a company controlled by a director of the Company.

As at February 28, 2022, the balance owing to related parties was \$690 (November 30, 2021 - \$Nil).

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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.

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 three months ended February 28, 2022. 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.

On February 15, 2022, the Company announces that it has entered into a consulting agreement (the "Agreement") with 1167388 B.C. Ltd. (the "Service Provider") whereby the Service Provider will provide the Company with consulting and advisory services including, but not limited to, the following: (a) working with the Company's management team on potential opportunities and joint ventures; (b) reviewing and assessing various strategic initiatives regarding the Company's public relations and marketing efforts; and (c) setting up investor roadshows in Vancouver, Calgary, Toronto, and Montreal (the "Services"). In consideration for the provision of the Services, the

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9. COMMITMENTS

Company will pay the Service Provider a fee of \$45,000 plus applicable taxes for term from February 10, 2022 until May 30, 2022.

On February 22, 2022, the Company entered into a Share Exchange Agreement among the company, Red Bay Exploration Inc. ("Red Bay") and the shareholders of Red Bay to acquire 100% of the issued and outstanding securities of Red Bay by issuing 9,000,000 of the Company common shares. Red Bay is the beneficial owner of four mineral projects in Newfoundland, Canada, representing over 10,500 hectares of prospective gold, polymetallic (copper, lead, zinc, cobalt, silver), uranium and rare earth projects. The four mineral projects are (i) the Red Indian Lake project, (ii) the Little Sheep Brook project, (iii) the Butterfly Pond project and (iv) the Mount Hogan project.

During the year ended November 30, 2021, the Company completed a flow-through private placement of \$1,004,720 (Notes 6). The Company has the obligation to incur eligible exploration and evaluation expenditures no later than December 31, 2022.

10. SUBSEQUENT EVENTS

On March 8, 2022, the Company issued 9,000,000 common shares in connection with Red Bay Share Exchange Agreement dated Feb. 22, 2022 to acquire 100% of the issued and outstanding common shares in the capital of Red Bay.