

MOSAIC MINERALS CORP.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2021
(In Canadian Dollars)**

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NOTICE TO READERS OF INTERIM FINANCIAL STATEMENTS:

The unaudited interim Financial Statements of Mosaic Minerals Corp. for the nine-month period ended September 30, 2021, were not reviewed by a firm of external auditors.

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss**

(In Canadian Dollars)

	September 30, 2021 (Unaudited) \$	December 31, 2020 (Audited) \$
ASSETS		
Current		
Cash	554,761	69,262
Sales taxes receivable	34,263	14,523
Other receivables	100,653	-
Prepaid expense	-	99,547
Total Current Assets	689,677	183,332
Non-current		
Exploration and evaluation assets (Note 4)	1,267,158	360,000
Total Assets	1,956,835	543,332
LIABILITIES		
Current Liabilities		
Trade and other payables	65,044	49,537
Flow through share premium liability (Note 9)	13,033	70,800
Total Liabilities	78,077	129,590
Shareholders' Equity		
Share Capital (Note 5)	2,668,808	925,210
Contributed surplus	367,008	-
Deficit	(1,157,059)	(511,468)
Total Shareholders' Equity	1,878,757	413,742
Total Liabilities and Shareholders' Equity	1,956,835	543,332

Nature of operations and going concern – Note 1

Contingencies and commitments – Note 9

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on November 29, 2021. They are signed on the Company's behalf by:

“Eric Beauchene”
Director

“Luc Gervais”
Director

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

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****(Unaudited, in Canadian Dollars)**

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Expenses				
Filing fees	2,625	-	7,309	-
Exploration and evaluation expenditures	10,017	-	102,572	-
Share-based payments	192,995	-	367,008	-
Professional fees	79,209	2,500	195,684	5,702
Investor relations	1,687	-	2,363	-
Office and administration	7,742	1,147	93,716	7,918
Loss from operations for the period	(294,275)	(3,647)	(768,652)	(13,620)
Gain on disposal of exploration and evaluation assets	(65,294)	-	(65,294)	-
Deferred income tax recovery	(40,176)	-	(57,767)	-
Net comprehensive loss for the period	(188,805)	(3,647)	(645,591)	(13,620)
Basic and diluted loss per share	(0.005)	(0.00)	(0.02)	(0.00)
Weighted average number of shares outstanding	36,598,702	23,708,500	31,607,893	23,708,500

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

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****For the nine-months periods ended September 30, 2021 and 2020****(Unaudited, in Canadian Dollars)**

	NUMBERS	SHARE CAPITAL	CONTRIBUTED SURPLUS	DEFICIT	TOTAL EQUITY
		\$	\$	\$	\$
Balance, December 31, 2020	23,708,500	925,210	-	(511,468)	413,742
Issuance of units by private placement (note 5.2)	10,670,000	782,650	-	-	782,650
Shares issued for property acquisitions (note 5.2)	8,300,000	980,000	-	-	980,000
Share-based payments (note 5.5)	-	-	367,008	-	367,008
Share issued costs	-	(19,052)	-	-	(19,052)
Net loss for the period	-	-	-	(645,591)	(645,591)
Balance, September 30, 2021	42,678,500	2,668,808	367,008	(1,157,059)	1,878,757
 Balance, December 31, 2019	 23,708,500	 925,210	 -	 (378,315)	 546,895
Net loss for the period	-	-	-	(13,620)	(13,620)
Balance, September 30, 2020	23,708,500	925,210	-	(391,935)	533,275

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

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****For the nine-months periods ended September 30, 2021 and 2020****(Unaudited, in Canadian Dollars)**

	For the nine-months periods ended	
	September 30,	September 30,
	2021	2020
	\$	\$
Operating Activities		
Net loss for the period	(645,591)	(13,620)
Items not involving cash		
Flow through premium recovery	(57,767)	-
Share-based payments	367,008	-
Gain on disposal of mining assets	(65,294)	-
Professional fees	99,547	-
Changes in operating assets and liabilities		
Sales taxes receivable	(19,740)	(28)
Other receivables	(653)	-
Trade and other payables	6,254	(52,036)
Cash flows used in operating activities	(316,236)	(65,684)
Investing activities		
Disposal of exploration and evaluation assets	50,000	-
Addition of exploration and evaluation assets	(11,864)	-
Cash used in investing activities	38,136	-
Financing activities		
Issuance of units under private placement	782,650	-
Shares issuance cost	(19,052)	-
Cash used in financing activities	763,598	-
Net change in cash	485,498	(65,684)
Cash, beginning of the period	69,262	360,419
Cash, end of the period	554,761	294,735

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

MOSAIC MINERALS CORP.
Condensed Interim Statements of loss and comprehensive loss
For the nine-months periods ended September 30, 2021 and 2020
(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Mosaic Minerals Corp. (hereinafter the "Company") was incorporated June 21, 2018 to specialize in exploration of gold mining sites located in Quebec, Canada. The Company is preparing to list its common shares on the CSE venture exchange. The Company was incorporated under the British Columbia *Business Corporations Act* in June 2018 with a registered office and principal place of business at 410 St-Nicolas, suite 236, Montreal, Quebec, H2Y 2P5.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts expensed for exploration and resource property evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

The Company incurred a net loss of \$ 645,591 for the nine months ended September 30, 2021 and had a deficit of \$ 1,157,059 to September 30, 2021. At September 30, 2021 the Company had a working capital of \$ 580,229. The Company has no sources of income and relies upon the issuance of shares for financing. These factors may cast significant doubt about the ability of the Company to continue as a going concern.

Plan of Arrangement Spin-Out Share Distribution

On November 7, 2018, Stellar AfricaGold Inc. ("Stellar") signed an arrangement agreement with Mosaic pursuant to which Stellar would distribute 2,000,000 shares of Mosaic Minerals Corp. to Stellar shareholders. The arrangement was completed on February 12, 2020.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the Company's financial statements as of and for the nine-months periods ended September 30, 2021 and 2020. They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions deemed significant to provide an understanding of the changes in the Company's financial position and performance since its most recent annual financial statements.

b) Basis of Measurement

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

c) Functional and presentation currency

The financial statements are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company applied the same accounting policies in these condensed interim financial statements as those applied in the Company's annual audited financial statements as at and for the year ended December 31, 2020.

In preparing these condensed interim financial statements, the significant judgements we made in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2020.

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****For the nine-months periods ended September 30, 2021 and 2020****(Unaudited, in Canadian Dollars)****4. EXPLORATION AND EVALUATION EXPENDITURES**

	Balance as at January 1, 2021	Acquisitions	Disposal	Balance as at September, 2021
	\$	\$	\$	\$
Quebec				
Property – Opawica (a)				
Mining rights	360,000	-	(84,706)	275,294
Quebec				
Property – Canalask (b)				
Mining rights	-	1,864	-	1,864
Quebec				
Property – Crisafy (c)				
Mining rights	-	40,000	-	40,000
Quebec				
Property – Gaboury (d)				
Mining rights	-	255,000	-	255,000
Quebec				
Property – Lichen (e)				
Mining rights	-	345,000	-	345,000
Quebec				
Property – 113 North (e)				
Mining rights	-	350,000	-	350,000
Summary				
Mining rights	360,000	991,864	(84,706)	1,267,158
	Balance as at January 1, 2020	Acquisitions	Mining credits	Balance as at December 31, 2020
	\$	\$	\$	\$
Quebec				
Property – Opawica (a)				
Mining rights	360,000	-	-	360,000
Summary				
Mining rights	360,000	-	-	360,000

(a) Opawica, (Quebec)

The Opawica property consists of 2 claim blocks totalling 17 claims covering 952 hectares. It is divided into two discrete claim blocks which are: the Philbert 1 block of 4 claims totalling 223.9 hectares and the Opawica North block of 13 claims totalling 728.1 hectares. The property is located in the Gamache and Rohault townships at 55 kilometers south of Chibougamau city and 10 kilometers south-west of the Joe Mann mine.

On September 15, 2021, the Company completed a transaction to sell 4 mining claims of the property to Iamgold Corporation for a total aggregate purchase price of \$150,000 payable according to the following schedule's

- \$ 50,000 at the closing of the transaction;
- \$ 50,000 on or before the first anniversary of the agreement;
- \$ 50,000 on or before 18 months following the closing of the transaction.

The Company will retain a 0.5 % net smelter royalty ("NSR") on the 4 mining claims.

(b) Canalask , (Quebec)

The Canalask property is composed of 16 mining claims covering 770 hectares to the North West shore of Lake Dunphy located 150 km NNW of Shefferville

(c) Crisafy, (Quebec)

The Crisafy Property is composed of 27 mining claims covering 1,515 hectares located in Crisafy Township in Northern Quebec in the Chibougamau area in Quebec.

(d) Gaboury, (Quebec)

The Gaboury property is composed of 82 mining claim cells totalling 4,282 hectares located approximately 150 km SW of the Rouyn Noranda mining camp.

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****For the nine-months periods ended September 30, 2021 and 2020****(Unaudited, in Canadian Dollars)****4. EXPLORATION AND EVALUATION EXPENDITURES (continued)**

(e) Lichen, (Quebec)

The Lichen property is composed of 178 mining claims totaling approximately 9,968 hectares located in the Chapais-Chibougamau area in northern Quebec.

(f) 113 North, (Quebec)

The 113 North property is located in the southeastern part of the Abitibi greenstone belt and is composed of 59 claims totalling 3010 ha located North of the Val d'or mining district in Abitibi Quebec.

5. SHARE CAPITAL**5.1 Authorized**

Unlimited number of shares without par value. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meetings of the Company.

5.2 Issued

On February 22, 2021, the Company completed the acquisition of the Crisafy property with a \$ 5,000 payment and the issuance of 300,000 common shares and two additional payments, \$ 5,000 at three-months from closing (done) and \$ 5,000 at 12 months from closing.

On February 23, 2021, the Company completed a private placement of 3,575,000 units at a price of \$ 0.08 per unit for total proceeds of \$ 286,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of \$ 0.15 at any time before February 23, 2023.

On May 14, 2021, the Company optioned up to an 80% interest in the Gaboury gold property. To earn the first 60% the Company must issue 3,000,000 shares and complete \$ 150,000 of exploration expenditures within twelve months and complete a further \$ 850,000 within thirty six months. To earn the additional 20% interest Mosaic must incur \$ 500,000 of exploration expenditures per year for the next five years until June 30, 2029 and complete a N143-101 resource estimate including indicated resources. The 3,000,000 shares were issued May 14, 2021.

On May 24, 2021, the Company optioned a 100% interest in the Lichen Base Metals property. To earn the interest the Company must issue 3,000,000 shares and complete \$ 100,000 of exploration expenditures by May 31, 2022 and a further \$ 350,000 of exploration expenditures by May 31, 2024. The 3,000,000 shares were issued May 25, 2021.

On June 14, 2021, the Company optioned a 50% interest in the 113 North property by issuing 2,000,000 common shares and incurring \$ 500,000 of exploration expenses over four years.

On August 23, 2021, the Company completed a private placement of 7,095,000 units at a price of \$ 0.07 per unit for total proceeds of \$ 496,650. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each full warrant entitles its holder to acquire one common share of the Company at a price of \$ 0.10 at any time before February 23, 2023.

5.3 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	September 30, 2020		December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, beginning of the period	2,802,000	0,10	2,802,000	0,10
Granted	7,122,500	0,13	-	-
Balance, end of the period	9,924,500	0,12	2,802,000	0,10

	September 30, 2020		December 31, 2020	
	Number	Exercise price	Number	Exercise price
		\$		\$
Expiration date				
November 28, 2021	2,802,000	0,10	2,802,000	0,10
February 23, 2023	3,575,000	0,15	-	-
February 20, 2023	1,087,500	0,10	-	-
February 23, 2023	2,460,000	0,10	-	-
	9,924,500		2,802,000	

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Condensed Interim Statements of loss and comprehensive loss
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5. SHARE CAPITAL (continued)

5.4 Broker's warrants

Outstanding broker's warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	September 30, 2021		December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, beginning of the period	-	-	-	-
Granted	321,000	0,15	-	-
Balance, end of period	321,000	0,15	-	-

	September 30, 2021		December 31, 2020	
	Number	Exercise price	Number	Exercise price
		\$		\$
Expiration date				
February 23, 2023	321,000	0,15	-	-
	321,000		-	

5.5 Stock Options

	September 30, 2021		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning of period	-	-	-	-
Granted	4,050,000	0,10	-	-
Cancelled	(1,000,000)	0,10	-	-
Balance, end of period	3,050,000	0,10	-	-

On August 30, 2021, the Company granted 1,100,000 options to an officer and consultants to subscribe for one common share of the Company at a price of \$ 0.095 per common share expiry on August 30, 2026. These stock option vest immediately.

On August 2, 2021, the Company granted 1,200,000 options to officers and a consultant. The options are exercisable at \$ 0.09 expiring on August 2, 2026. These stock option vest immediately.

On April 24, 2021, the Company granted 1,000,000 options to directors and consultants to subscribe for one common share of the Company at a price of \$ 0.10 per common share, for a period of 5 years from the date of grant. These stock options vest immediately.

On June 16, 2021, the Company granted 750,000 options to directors and a consultant to subscribe for one common share of the Company at a price of \$ 0.115 per common share, for a period of 5 years from the date of grant. These stock options vest immediately.

The weighted fair value accounted for in the results of the granted options of \$ 367,008 (\$ nil in 2020) was determined using the Black-Scholes option pricing model and based on the following weighted average assumptions:

	September 30, 2021	September 30, 2020
Share price at date of grant	0.10 \$	-
Expected volatility	150 %	-
Expected life	5 années / years	-
Risk free interest rate	0,61 %	2,06 %
Exercise price at date of grant	0,07 \$	0,10 \$
Weighted fair value	0,07 \$	0,06 \$

The underlying expected volatility was determined by reference to historical data of comparable Company's shares over the expected life period. No special features inherent to the options granted were incorporated into measurement of fair value.

The table below summarizes the information related to share options as at September 30, 2021 :

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5. SHARE CAPITAL (continued)

Outstanding and exercisable options

Number of options	Weighted average exercise price	Remaining life (years)
	\$	
750,000	0,115	4,67
1,200,000	0,09	4,83
1,100,000	0,095	4,83
3,050,000	0,10	

6. RELATED PARTY TRANSACTIONS

The related parties of the Company include related companies and key management personnel.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are generally settled in cash.

The key management personnel compensation includes the following expenses:

6.1 Remuneration of key management personnel

	September 30, 2021	September 30, 2020
	\$	\$
Short-term management benefits		
Management fees	67,500	
Professional fees	23,542	
	91,042	
Share-based payments	255,975	
Total Remuneration	347,017	
Recognized in exploration and evaluation assets	(12,042)	
Total remuneration expenses	334,975	

7. CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to owners of the parent.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which proceeds are committed for exploration work.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings.

When financing conditions are not optimal the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the period ended September 30, 2021.

MOSAIC MINERALS CORP.**Condensed Interim Statements of loss and comprehensive loss****For the nine-months periods ended September 30, 2021 and 2020****(Unaudited, in Canadian Dollars)**

8. FINANCIAL INSTRUMENT RISK DISCLOSURES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarized below. The main risks the Company is exposed to are credit risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The most significant financial risks to which the Company is exposed to are described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at September 30, 2021 the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	September 30, 2021	December 31, 2020
	\$	\$
Cash	554,761	69,262

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are government agencies or reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount. Over the past period, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties through private and flow-through financings.

The Company's trade and other payables all contractually mature within three months, except for amounts due to related parties which are payable on demand.

9. CONTINGENCIES AND COMMITMENTS

During the year ended December 31, 2019, the Company issued flow-through shares and estimated the value of the flow-through share premium associated with those shares to be \$ 70,800. In July 2020, the Canadian Government provided relief with respect to COVID-19 by providing companies with an additional 12 months in which they can spend eligible flow through expenditures and provided interest relief on unspent funds.

The following is a continuity schedule of the deferred premium liability on flow-through share issuances:

Balance at December 31, 2020	\$ 70,800
Expenditures	(\$ 57,767)
Balance at September 30, 2021	\$ 13,033

10. SUBSEQUENT EVENT

On October 7, 2021, the Company closed a non-brokered private placement of 3,000,000 shares on a flow-through basis at a price of \$ 0.10 per share for an aggregate gross proceeds of \$ 300,000.