

Condensed Interim
Financial Statements of

MLK GOLD LTD.
**(Formerly 1167343 BC Ltd. and Mountain Lake Minerals
Inc.)**

For the six months ended
May 31, 2021 and 2020

(Expressed in Canadian dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF THESE
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Mountain Lake Minerals Inc. (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 condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	Note	May 31, 2021	November 30, 2020
		\$	\$
ASSETS			
Current assets			
Cash		1,410	338,440
Amounts receivable		69,981	18,841
Total current assets		71,391	357,281
Exploration and evaluation assets	6	305,816	305,816
		377,207	713,097
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	578,228	280,788
Notes payable	7	66,000	66,000
Other payables	9	34,564	69,564
		678,792	416,352
EQUITY			
Share capital	8	77,101	77,101
Contributed surplus	8	679,952	679,952
Deficit		(1,058,638)	(460,308)
		(301,585)	296,745
		377,207	713,097

Nature of business and going concern – Note 1
Commitment – Note 11

Approved and authorized for issue on behalf of the Board on July 22 2021:

“Bill Fleming”
Director

“Paul Smith”
Director

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

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Condensed Interim Statements of Comprehensive Loss
For the periods ended May 31, 2021 and May 31, 2020
(Unaudited)
(Expressed in Canadian dollars)

	Note	Three Months Period Ended May 31, 2021	Three Months Period Ended May 31, 2020	Six Months Period Ended May 31, 2021	Six Months Period Ended May 31, 2020
		\$	\$	\$	\$
Expenses					
Advertising and promotion		-	-	5,700	-
Consulting		-	-	-	-
Management fees	9	54,000	54,000	108,000	54,000
Office and other		53	-	1,189	-
Professional fees		57,628	-	126,380	-
Project investigation costs		240,644	-	356,434	-
Share-based compensation	8	-	-	-	-
Transfer agent		627	-	627	-
Net loss and comprehensive loss for the year		352,952	54,000	598,330	54,000
Loss per share – basic and diluted		(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding		71,531,644	71,531,644	71,531,644	71,531,644

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

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Condensed Interim Statements of Changes in Equity
For the periods ended May 31, 2021 and May 31, 2020
(Expressed in Canadian dollars)

	Common shares		Contributed Surplus	Deficit	Total
	#	\$	\$	\$	\$
Balance, November 30, 2018 and 2019	1	1	-	(1)	-
Shares issued pursuant to Arrangement Agreement	63,821,643	-	625,952	-	625,952
Shares issued pursuant to mineral property agreements	7,710,000	77,100	-	-	77,100
Share-based compensation	-	-	54,000	-	54,000
Net and comprehensive loss	-	-	-	(460,307)	(460,307)
Balance, May 31, 2020	71,531,644	77,101	679,952	(460,308)	296,745
Balance, November 30, 2020	71,531,644	77,101	679,952	(460,308)	296,745
Net and comprehensive loss	-	-	-	(598,330)	(598,330)
Balance, May 31, 2021	71,531,644	77,101	679,952	(1,058,638)	(301,585)

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

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Condensed Interim Statements of Cash Flows
For the periods ended May 31, 2021 and May 31, 2020
(Expressed in Canadian dollars)

	Six Months Period Ended May 31, 2021	Six Months Period Ended May 31, 2020
	\$	\$
Cash provided (used) in operating activities		
Net loss for the year	(598,330)	(54,000)
Non-cash expense:		
Share-based compensation	-	-
Net change in non-cash working capital balances related to operations:		
Amounts receivable	(51,140)	-
Amounts payable and accrued liabilities	262,440	54,000
Cash provided in operating activities	(387,030)	-
Cash used in investing activities		
Exploration and evaluation assets	-	-
Cash used in investing activities	-	-
Cash flows from financing activities		
Deposits	50,000	-
Cash used in financing activities	50,000	-
Change in cash	(337,030)	-
Cash, beginning of year	338,440	-
Cash, end of year	1,410	-
Supplemental cash flow information		
Shares issued for exploration and evaluation assets	-	-
Income taxes paid	-	-

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

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Notes to the Condensed Interim Financial Statements
For the periods ended May 31, 2021 and May 31, 2020
(Expressed in Canadian dollars)

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Mountain Lake Minerals Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on June 7, 2018 as 1167343 B.C. Ltd. On May 14, 2020, the Company changed its name to Mountain Lake Minerals Inc. On May 4, 2021, the Company changed its name to MLK Gold Ltd. The address of the Company’s head office is 59 Payzant Dr., Windsor, Nova Scotia, Canada, B0N 2T0. The Company’s registered office is, Suite 2080 - 777 Hornby Street, Vancouver, B.C., Canada, V6Z 1S4.

The Company was created to facilitate an Arrangement Agreement dated June 7, 2018. In accordance with the Arrangement Agreement, the Company was incorporated as a wholly owned subsidiary of Pac Roots Cannabis Corp. (“Pac Roots”). During the year ended November 30, 2020, Pac Roots transferred its mineral exploration business and other assets to the Company in exchange for 63,821,643 common shares. The common shares were then distributed to the shareholders of Pac Roots. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received, as follows:

	\$
Cash receivable from Pac Roots	550,000
Exploration and evaluation assets	211,516
Notes payable	(66,000)
Other liabilities	(69,564)
	<u>625,952</u>

The Company received a cash payment of \$550,000 from Pac Roots during the year ended November 30, 2020. Other liabilities pertaining to transaction costs being shared by the Company and Pac Roots remain payable at November 30, 2020.

The Company is a junior exploration company exploring for precious and base metal deposits. MLK Gold’s current projects are located in the province of Newfoundland and Labrador, Canada (Note 6).

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at May 31, 2021, the Company had not yet generated revenues and had an accumulated deficit of \$1,058,638. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed interim financial statements, then adjustments would be necessary to reflect these condensed interim financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company’s operations have not been drastically affected by the pandemic. Management continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

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Notes to the Condensed Interim Financial Statements
For the periods ended May 31, 2021 and May 31, 2020
(Expressed in Canadian dollars)

NOTE 2 – BASIS OF PRESENTATION

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended November 30, 2020, which have been prepared in accordance with IFRS as issued by IASB. The accounting policies adopted are consistent with those of the previous financial year, except for recent accounting pronouncements as described in Note 3 below. The Board of Directors approved the condensed interim financial statements on July 22, 2021.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of new standards

The Company was not required to and has not adopted any new standards which had a material impact on the Company’s condensed interim financial statements.

NOTE 4 – ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

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

NOTE 5 – FINANCIAL INSTRUMENTS

The Company’s financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or 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 Company’s financial instruments include cash, deposits, accounts payable, notes payable and other payables.

The fair value of cash is determined based on “Level 1” inputs, which consist of quoted prices in active markets for identical assets.

Assets measured at fair value on a recurring basis were presented on the Company’s statements of financial position as of May 31, 2021, as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
May 31, 2021				
Cash	1,410	–	–	1,410

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company’s credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company’s amounts payable to related parties are due over one year. The Company’s notes and loans payable are due on

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NOTE 5 – FINANCIAL INSTRUMENTS (continued)

demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at May 31, 2021, the Company has cash of \$1,410 to settle current liabilities of \$578,228.

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

	Newfoundland and Labrador	Nova Scotia	Total
	\$	\$	\$
Balance, November 30, 2018 and 2019	-	-	-
Acquired pursuant to Arrangement Agreement	211,516	-	211,516
Additions	57,200	37,100	94,300
Balance, November 30, 2020 and May 31, 2021	268,716	37,100	305,816

Newfoundland and Labrador

Caledonia Brook Property

In connection with the Arrangement Agreement described in Note 1, the Company acquired an Option Agreement dated October 30, 2017 ("Agreement") with New Dawn Resources Inc. (the "Optionor") whereby the Company could acquire a 100% interest in a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under two mineral exploration licenses.

On March 6, 2020, the Company entered into a purchase agreement ("Purchase Agreement") with the Optionor whereby the Company would acquire a 100% interest in the above-noted gold exploration property consisting of 53 mineral claims and two mineral exploration licenses and a 100% interest in 30 additional mineral claims under two mineral exploration licenses. The Purchase Agreement superseded the Option Agreement with the Optionor, and as consideration, the Company was required to make a cash payment \$5,000 and issue 3,500,000 common shares, which the Company paid and issued during the year ended November 30, 2020.

Pursuant to the Purchase Agreement, the Company earned a 100% interest in 83 claims under four mineral exploration licenses (together, the "Grand Falls and Caledonia Brooks Properties"). During the year ended November 30, 2020, 30 claims under two mineral exploration licenses were cancelled as the Company identified claims of interest at the Grand Falls and Caledonia Brooks Properties for further exploration.

The Caledonia Brook Property is subject to a net smelter returns royalty ("NSR") of 1.0% of commercial production. The Company can purchase 0.5% of the NSR for \$500,000 at any time.

Little River Property

The Company holds an undivided 100% interest in 20 mineral claims in the Little River area of southern Newfoundland known as the Golden Eye Project. There is a 2.0% NSR on the property of which ½ (or 1%) can be purchased for \$1,500,000.

Manuels Property

On April 6, 2020, the Company entered into a purchase agreement with New Dawn Resources Inc. and the sole director of New Dawn Resources Inc. (the "Optionors"), whereby the Company acquired a 100% interest in 21 mineral claims under three mineral licenses known ("Manuels Property"). As consideration, the Company issued 500,000 common shares and agreed to pay an aggregate of \$72,000 in ten equal annual installments of \$7,200 to the Optionors. During the year ended November 30, 2020, \$7,200 was paid to the Optionors.

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NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)

The Manuels Property is subject to an NSR of 1.0% of commercial production. The Company can purchase 0.5% of the NSR for \$500,000 at any time.

Nova Scotia

During the year ended November 30, 2020, the Company entered into agreements with two parties (the “Optionors”) to acquire a 100% interest in six mineral claims under one mineral exploration license in Nova Scotia (the “NS Agreements” and the “Nova Scotia Property”). Pursuant to the terms of the NS Agreements, the Company has issued 3,500,000 common shares. The mineral exploration license is currently held by the Optionors.

In addition, the Company also issued 210,000 common shares as finders’ fee to a third party.

The Nova Scotia Property is subject to two NSRs of 0.75% and 2.0%, of which the Company can purchase up to 0.5% of the first, and 0.5% of the second may be purchased for \$250,000 and \$50,000, respectively. Furthermore, the Company will also be required to make a royalty payment of \$25,000 within one year of a feasibility report which identifies commercial viability of the property.

NOTE 7 – NOTES PAYABLE

As part of the Arrangement Agreement described in Note 1, the Company assumed notes payable of \$66,000. The notes payable are non-interest bearing, unsecured and due on demand.

NOTE 8 – SHARE CAPITAL

Common shares

The Company’s authorized capital consists has an unlimited numbers of common shares without par value. As at November 30, 2020, there were 71,531,644 issued and outstanding common shares.

There were no common shares issued during the periods ended May 31, 2021 and May 31, 2020.

Stock Options

The Company has a Stock Option Plan (the “Plan”) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company’s stock options activity for the period ended May 31, 2021 is as follows:

	Number of options	Weighted Average Exercise Price
		\$
Outstanding, December 1, 2018 and 2019	-	-
Issued	7,153,164	0.10
Outstanding, November 30, 2020 and May 31, 2021	7,153,164	0.10

The following is a summary of stock options outstanding as at May 31, 2021:

Number of stock options	Exercise Price	Expiry date
7,153,164	\$0.10	July 30, 2025

During the year ended November 30, 2020, the Company granted 7,153,164 stock options to certain officers and directors of the Company. The stock options are exercisable at a price of \$0.10 for a period of five years from the date of grant. fair value of the stock options granted was estimated to be \$54,000, and was calculated using the Black-Scholes calculator and following assumptions: share price on grant date – \$0.01; expected life – 5 years; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 0.33%.

Warrants

As part of the Arrangement Agreement described in Note 1, the Company issued 12,627,359 share purchase warrants upon the completion of the Arrangement Agreement. The warrant expired on April 28, 2021

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(Expressed in Canadian dollars)

NOTE 8 – SHARE CAPITAL (continued)

A summary of the Company's warrant activity for the period ended May 31, 2021 is as follows:

	Number of options	Weighted Average Exercise Price
		\$
Outstanding, December 1, 2018 and 2019	-	-
Issued	12,627,359	0.50
Expired	(12,627,359)	0.50
Outstanding, November 30, 2020 and May 31, 2021	-	-

NOTE 9 – RELATED PARTY TRANSACTIONS AND BALANCES

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

The Company incurred the following costs from its key management personnel and related parties for the years ended May 31, 2021 and 2020:

	2021	2020
	\$	\$
Management fees	108,000	-
Rent	-	-
Share-based compensation	-	-

As at May 31, 2021, the Company had amounts payable totaling \$280,490 (November 30, 2020 - \$172,490) to certain directors and officers of the Company.

During the year ended November 30, 2020, the Company received \$550,000 from Pac Roots in connection with the completion of the Arrangement Agreement described in Note 1. As at May 31, 2021, the Company has recorded other payables due to Pac Roots of \$34,564 (November 30, 2020 - \$69,564) in connection with the Arrangement Agreement described in Note 1.

During the year ended November 30, 2020, a director of the Company advanced \$17,200 to an unrelated third party on behalf of the Company for a transaction being negotiated. As at November 30, 2020, the principal amount of \$17,200 bears interest at 20% per annum, is unsecured and due on demand. The principal amount along with interest of \$1,844 was repaid during the year.

NOTE 10 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. As at May 31, 2021, the Company had a working capital deficiency of \$607,401 (November 30, 2020 - \$59,071).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and business opportunities and seek to acquire an interest in additional properties or businesses if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

MLK Gold Ltd. (formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)
Notes to the Condensed Interim Financial Statements
For the periods ended May 31, 2021 and May 31, 2020
(Expressed in Canadian dollars)

NOTE 11 – COMMITMENT

On April 6, 2020, the Company entered into an agreement with a company controlled by a director of the Company, whereby the Company would acquire a 50% interest in certain mineral exploration licenses (the “Acquisition”) in exchange for a 50% interest in the Manuels property. The Acquisition was subject to the Company acquiring 100% of the Manuels property (see Note 6). In addition, the Company has also committed to issuing 200,000 share purchase warrants, making a cash payment of \$30,000, providing a 2% NSR in the Manuels property and incurring \$1,000,000 in exploration expenses before December 31, 2022. Furthermore, the Company has also committed to issuing certain number of performance warrants dependent on results of geological surveys which have not yet been conducted.