MLK Gold Ltd.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2022 and 2021

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of MLK Gold Ltd.

Opinion

We have audited the financial statements of MLK Gold Ltd. (the "Company"), which comprise the statements of financial position as at November 30, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors’ report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
March 24, 2023

MLK Gold Ltd.
Statements of Financial Position
As at November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
		$	$
ASSETS			
Current assets			
Cash		11,179	749,914
Amounts receivable		19,271	78,740
Prepaid expenses and deposits		-	6,000
		30,450	834,654
Exploration and evaluation assets	6	797,561	826,064
		828,011	**1,660,718**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	407,949	420,474
Flow-through premium liability	8	-	46,865
Advance payable		15,000	-
Notes payable		1,500	1,500
		424,449	468,839
EQUITY			
Share capital	7	1,436,325	1,434,075
Contributed surplus		729,952	729,952
Deficit		(1,762,715)	(972,148)
		403,562	1,191,879
		828,011	**1,660,718**

Nature of business and going concern – Note 1
Commitments – Note 11
Subsequent event – Note 13

Approved and authorized for issue on behalf of the Board on March 24, 2023:

"Bill Fleming"
Director

"Paul Smith"
Director

The accompanying notes are an integral part of these financial statements

MLK Gold Ltd.
Statements of Loss and Comprehensive Loss
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
		$	$
Expenses			
Advertising and promotion		39,900	11,400
Consulting		22,250	17,000
Director fees	9	72,000	-
Interest and bank charges		-	7,687
Legal and accounting		113,038	152,383
Management fees	9	162,000	171,000
Membership		10,000	-
Office and miscellaneous		33,938	2,148
Professional fee		42,505	52,016
Share-based compensation		-	40,000
Rent		6,000	6,000
Transfer agent and filing		21,236	33,510
Travel		-	10,271
Wages and benefits		-	32,846
Net loss for the year		(522,867)	(536,261)
Other items			
Impairment of exploration and evaluation assets	6	(292,494)	-
Recovery of flow-through premium	8	46,865	24,421
Write-off of amounts receivable		(22,071)	-
Net loss and comprehensive loss		(790,567)	(511,840)
Loss per share – basic and diluted		(0.02)	(0.03)
Weighted average number of common shares outstanding		40,087,531	16,657,867

The accompanying notes are an integral part of these financial statements

MLK Gold Ltd.
Statements of Changes in Equity
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

		Common Shares	Contributed Surplus	Deficit	Total
	#	$	$	$	$
Balance, November 30, 2020	**11,921,945**	**77,101**	**679,952**	**(460,308)**	**296,745**
Shares issued for cash, net of costs (Note 7)	23,724,285	1,206,760	10,000	-	1,216,760
Flow-through premium (Note 8)	-	(71,286)	-	-	(71,286)
Shares issued pursuant to mineral property agreements	1,490,000	74,500	-	-	74,500
Shares issued for settlement of liabilities	2,940,000	147,000	-	-	147,000
Share-based compensation	-	-	40,000	-	40,000
Net loss and comprehensive loss	-	-	-	(511,840)	(511,840)
Balance, November 30, 2021	**40,076,230**	**1,434,075**	**729,952**	**(972,148)**	**1,191,879**
Shares issued pursuant to mineral property agreements	15,000	2,250	-	-	2,250
Net loss and comprehensive loss	-	-	-	(790,567)	(790,567)
Balance, November 30, 2022	**40,091,230**	**1,436,325**	**729,952**	**(1,762,715)**	**403,562**

The accompanying notes are an integral part of these financial statements

MLK Gold Ltd.
Statements of Cash Flows
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
Cash used in operating activities		
Net loss	(790,567)	(511,840)
Non-cash expense		
Share-based compensation	-	40,000
Recovery of flow-through premium	(46,865)	(24,421)
Impairment of exploration and evaluation assets	292,494	-
Write-off of amounts receivable	22,071	-
Net change in non-cash working capital balances related to operations:		
Amounts receivable	37,397	(59,899)
Amounts payable and accrued liabilities	(12,524)	217,122
Prepaid	6,000	(6,000)
Other payables	-	(64,500)
	(491,994)	(409,538)
Cash used in investing activities		
Deposits	-	50,000
Exploration and evaluation assets	(245,281)	(445,748)
Property acquisition costs	(16,460)	-
	(261,741)	(395,748)
Cash provided by financing activities		
Cash received from issuance of common shares, net	-	1,216,760
Advance received	15,000	-
	15,000	1,216,760
Change in cash	(738,735)	411,474
Cash, beginning of year	749,914	338,440
Cash, end of year	**11,179**	**749,914**
Supplemental cash flow information:		
Shares issued for exploration and evaluation assets	2,250	74,500

The accompanying notes are an integral part of these financial statements

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

MLK Gold Ltd. (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.

In accordance with an Arrangement Agreement dated June 7, 2018, 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 10,636,945 common shares of the Company. The common shares were then distributed to the shareholders of Pac Roots.

The Company is a junior exploration company exploring for precious and base metal deposits. The Company's current projects are located in the provinces of Newfoundland and Labrador and Nova Scotia in Canada (Note 6).

These 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 November 30, 2022, the Company had not yet generated revenues and had an accumulated deficit of $1,762,715.

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 factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These 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 financial statements, then adjustments would be necessary to reflect these 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.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on March 24, 2023.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates and Judgments

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The more significant areas are as follows:

Critical accounting estimates

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Decommissioning liabilities

Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the period.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at November 30, 2022, management had determined that no reclassification of exploration expenditures was required.

Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information management consider includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests. Internal sources of information management consider include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's exploration properties, management makes estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration properties, and the appropriate discount rate.

Income taxes

The assessment of deferred income tax assets and liabilities requires management to make judgments on whether or not the Company's deferred tax assets are probable to be recovered from future income. Management has determined that the recoverability of the Company's deferred tax assets is remote due to the history of losses. As a result, no deferred income tax assets have been recognized as at November 30, 2022.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Use of Estimates and Judgments (continued)

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

b) Cash

Cash consists of cash on hand and balances with banks.

c) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study and a decision to proceed with development, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to resource property and development assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash generating unit level, when there are indicators the carrying amount of the assets may exceed their recoverable amounts. To the extent this occurs, the excess is fully provided against the carrying amount, in the period in which this is determined.

Exploration and evaluation assets are reviewed for indicators of impairment on a regular basis and these costs are carried forward provided at least one of the following conditions is met:

- such costs are expected to be recovered through successful exploration and development of the area of interest or by its sale; or

- exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned in the future.

d) Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

e) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed. Commissions paid to agents and other related share issue costs are charged directly to share capital.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments

Financial Assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through profit and loss ("FVTPL"); and
iii. Fair value through other comprehensive income ("FVOCI").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Comprehensive Loss in the period in which it arises.

The Company has classified its cash at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments (continued)

FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Amortized cost

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, advance payable and note payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

g) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

h) Income Taxes

Income tax on profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset would be recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Basic and Diluted Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

j) Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

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 financial statements.

(Expressed in Canadian dollars)

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, accounts payable and notes payable.

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 November 30, 2022, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
November 30, 2022				
Cash	11,179	–	–	11,179
November 30, 2021				
Cash	749,914	–	–	749,914

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 and notes payable are due on 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 November 30, 2022, the Company has cash of $11,179 to settle current liabilities of $424,449.

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.

(Expressed in Canadian dollars)

NOTE 6 – EXPLORATION AND EVALUATION ASSETS

	Newfoundland and Labrador	Nova Scotia	Total
	$	$	$
Acquisition Costs			
Balance, November 30, 2020	268,716	37,100	305,816
Additions	209,237	4,270	213,507
Balance, November 30, 2021	477,953	41,370	519,323
Additions	18,710	-	18,710
Impairment	(26,600)	-	(26,600)
Balance, November 30, 2022	470,063	41,370	511,433
Exploration Costs			
Balance, November 30, 2020	-	-	-
Additions	306,741	-	306,741
Balance, November 30, 2021	306,741	-	306,741
Additions	245,281	-	245,281
Impairment	(265,894)	-	(265,894)
Balance, November 30, 2022	286,128	-	286,128
Balance, November 30, 2022	**756,191**	**41,370**	**797,561**
Balance, November 30, 2021	**784,694**	**41,370**	**826,064**

<u>Newfoundland and Labrador</u>

Grand Falls and Caledonia Brooks Properties

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 583,333 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 (Grand Falls) were cancelled as the Company identified claims of interest at the Caledonia Brooks Property for further exploration.

The Caledonia Brooks Properties are 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 1% can be purchased for $1,500,000.

During the year ended November 30, 2022, the Company determined to no longer pursue exploration activities on the Little River Property and recorded an impairment of exploration and evaluation assets of $15,771.

NOTE 6 – EXPLORATION AND EVALUATION ASSETS (continued)

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 83,333 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.

The Manuels Property is subject to an NSR of ranging from 0.5% to 1% of commercial production. The Company can purchase 0.5% of the NSR for $500,000 at any time.

During the year ended November 30, 2022, the Company determined to no longer pursue exploration activities on the Manuels Property and recorded an impairment of exploration and evaluation assets of $276,724.

Caledonia 2 Property

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 (the "Acquisition") a 50% interest in certain mineral exploration licenses (the "Caledonia 2 Property") in exchange for, among other things, a 50% interest in the Manuels property (the "Caledonia 2 Agreement"). The Acquisition was subject to the Company acquiring 100% of the Manuels Property. 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 also committed to issuing certain number of performance warrants dependent on results of geological surveys which have not yet been conducted.

On September 20, 2021, the Company and the vendor amended the Caledonia 2 Agreement, and the Company acquired a 100% interest in the Caledonia 2 Property by making a cash payment of $75,500 (paid) and issuing 1,490,000 common shares of the Company (issued). The Company has granted to the vendor a 0.5% NSR royalty on the Caledonia 2 Property.

On February 28, 2022, the Company entered into a purchase agreement to acquire certain mineral claims adjoining the Company's Caledonia Brook Property located in Newfoundland and Labrador in exchange for 15,000 common shares of the Company.

The Caledonia 2 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 $250,000 at any time.

Nova Scotia

Highfield Property

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 "Highfield Property"). Pursuant to the terms of the NS Agreements, the Company has issued 583,333 common shares. The mineral exploration license is currently held by the Optionors. In addition, the Company also issued 35,000 common shares as finders' fee to a third party.

The Highfield 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.

The title to the exploration licenses comprising the Highfield Property were held by an officer of the Company as at November 30, 2022, and are in the process of being transferred to the Company.

Garrison Hills Lithium Property

On May 16, 2022, the Company acquired a 100% interest in 104 claims covering 2,600 hectares. The Garrison Hills Lithium Property is located on the Garrison Hills northeast of Gaultois and west of Highway 360 on the south coast of Newfoundland. The staking fees were $6,760 and exploration work totally approximately $21,000 must be completed by June 15, 2023.

(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL

Escrow shares

On September 30, 2021, the Company entered into Escrow Agreement, whereby 6,909,776 common shares were held in escrow and are scheduled for release every six months in accordance with the terms of the Escrow Agreement.

As at November 30, 2022, there were 4,145,866 (2021 – 6,218,798) common shares held in escrow.

Common shares

The Company's authorized capital consists of an unlimited numbers of common shares without par value. As at November 30, 2022, there were 40,091,230 (November 30, 2021 – 40,076,230) issued and outstanding common shares.

During the year ended November 30, 2022:

On February 28, 2022, the Company issued 15,000 common shares with a fair value of $2,250, pursuant to a purchase agreement pertaining to the Caledonia 2 Property.

During the year ended November 30, 2021:

Effective May 5, 2021, the Company consolidated all of its issued and outstanding share capital on a basis of one post-consolidated share for six pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

On June 10, 2021, the Company issued 100,000 units for a price of $0.05 per unit. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share for a period of 12 months at an exercise price of $0.10 per common share.

On September 30, 2021, the Company completed a non-brokered private placement raising aggregate gross proceeds of $1,252,500 through the sale of 3,564,285 flow through subscription receipts at a price of $0.07 per flow through subscription receipt and 20,060,000 subscription receipts at a price of $0.05 per subscription receipt. The subscription receipts were converted into flow-through common shares and non-flow-through common shares of the Company, respectively. The Company paid $40,750 in finders' fees and issued 742,999 finders' warrants. The fair value of the finders' warrants was estimated to be $10,000 and was calculated using the Black-Scholes calculator and the following assumptions: share price on grant date – $0.05; expected life – 1 year; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 0.20%.

On September 30, 2021, the Company issued 1,490,000 common shares pursuant to the acquisition agreement pertaining to the Caledonia 2 Property.

On September 30, 2021, the Company issued 2,940,000 common shares to settle outstanding liabilities of $147,000 with certain directors and officers of the Company.

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 November 30, 2022 is as follows:

	Number of options	Weighted Average Exercise Price
		$
Outstanding, November 30, 2020	1,192,194	0.60
Issued	900,000	0.07
Cancelled	(1,192,194)	0.60
Outstanding, November 30, 2021 and November 30, 2022	900,000	0.07

(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL (continued)

The following is a summary of stock options outstanding as at November 30, 2022:

Number of stock options	Exercise Price	Expiry date
900,000	$0.07	October 26, 2026

During the year ended November 30, 2021, the Company granted 900,000 stock options to certain officers and directors of the Company. The stock options are exercisable at a price of $0.07 for a period of five years from the date of grant. fair value of the stock options grated was estimated to be $40,000, and was calculated using the Black-Scholes calculator and following assumptions: share price on grant date – $0.05; expected life – 5 years; volatility – 150%; annual rate of dividends – 0%; and risk-free rate – 1.48%.

Warrants

A summary of the Company's warrant activity for the period ended November 30, 2022 is as follows:

	Number of warrants	Weighted Average Exercise Price
		$
Outstanding, November 30, 2020	2,104,560	3.00
Issued	24,474,284	0.10
Expired	(2,104,560)	3.00
Outstanding, November 30, 2021	24,474,284	0.10
Expired	(842,999)	0.10
Outstanding, November 30, 2022	23,631,285	0.07

As part of the Arrangement Agreement described in Note 1, the Company issued 2,104,560 share purchase warrants upon the completion of the Arrangement Agreement, which expired on April 28, 2021.

The following is a summary of warrants outstanding as at November 30, 2022:

Number of warrants	Exercise Price	Expiry date
23,631,285	$0.07	September 30, 2024

During the year ended November 30, 2022, the Company extended the expiry date of the warrants to September 30, 2024. The original term of the Warrants had an expiry date of September 30, 2022.

NOTE 8 – FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

	$
Balance, November 30, 2020	-
Flow-through share premium recognized upon issuance	71,286
Reduction pursuant to incurring qualified expenditures	(24,421)
Balance, November 30, 2021	46,865
Reduction pursuant to incurring qualified expenditures	(46,865)
Balance, November 30, 2022	-

(Expressed in Canadian dollars)

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 November 30, 2022 and 2021:

	2022	**2021**
	$	$
Management, consulting fees and wages	162,000	202,500
Directors fee	72,000	-
Share-based compensation	-	35,556
Rent	6,000	12,000

As at November 30, 2022, the Company had amounts payable totaling $218,955 (November 30, 2021 - $196,720) to certain directors and officers of the Company. The amounts payable are unsecured and non-interest bearing.

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 November 30, 2022, the Company had a negative working capital of $393,999 (November 30, 2021 - $365,815).

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.

NOTE 11 – COMMITMENTS

The Company exploration and evaluation assets are subject to exploration expenditures and NSR. Refer to Note 6 for further details.

(Expressed in Canadian dollars)

NOTE 12 – INCOME TAXES

The Company has losses carried forward of approximately $1,415,000 (2021 - $862,000) available to reduce income taxes in future years, which begins expiring in 2040.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probably that sufficient taxable income will be realized during the carry forward years to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates for the years ended November 30, 2022 and 2021:

	2022	**2021**
Canadian statutory income tax rate	31%	31%
	$	$
Income tax recovery at statutory rate	(245,000)	(159,000)
Effect of income taxes of:		
Permanent differences and other	102,000	18,000
Change in deferred tax assets not recognized	143,000	141,000
Deferred income tax recovery	–	–

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2022	**2021**
	$	$
Non-capital loss carry forwards	438,000	267,000
Exploration and evaluation assets	(52,000)	(26,000)
Share issuance cost	8,000	10,000
Deferred tax assets not recognized	(394,000)	(251,000)
	–	–

NOTE 13 – SUBSEQUENT EVENT

Subsequent to November 30, 2022, the Company purchased two new mineral licenses consisting of 211 mineral claims for cash consideration of $13,715 comprising the Knob Brook Lithium Property located in Burgeo-La Poile district of Newfoundland and Labrador.